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East Asia

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8 June 1994

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Japan

Further Reportage on U.S. Framework Talks

Kantor, Matsunaga Meeting Held

OW0706142194 Tokyo KYODO in English 1326 GMT
7 Jun 94

[Text] Paris, June 7 KYODO—Japan and the United States on Tuesday [7 June] welcomed the latest accord to restart bilateral trade talks in financial services and intellectual property rights.

Nobuo Matsunaga, Japanese Government representative for external affairs, and U.S. Trade Representative Mickey Kantor confirmed the significance of the agreement during their 20-minute meeting here, Japanese officials said.

Matsunaga, former Japanese ambassador to the U.S., and Kantor are in Paris to attend a two-day ministerial conference of Organization for Economic Cooperation and Development (OECD) that opened Tuesday.

Financial services and intellectual property rights have been added recently to the three priority industrial sectors for the trade "framework" negotiations between Tokyo and Washington.

The original priority areas in the framework talks are government procurement, insurance, and trade in autos and auto parts.

Working-level talks on financial services began in Paris earlier in the day between Japan's Finance Ministry and the U.S. Treasury Department. This followed the resumption of insurance trade talks in Tokyo last week after a hiatus of three and a half months.

Financial services talks focus on ways to expand access by U.S. investment advisers to Japan's pension market, deregulation of securities business in Japan and steps to facilitate international deals on financial services.

On intellectual property rights, Japan and the U.S. will study how to protect patents involved in "reverse engineering" for computer software.

Medical Talks 'Mood Is Good'

OW0706124694 Tokyo KYODO in English 1229 GMT
7 Jun 94

[Text] Tokyo, June 7 KYODO—The "mood is good" in resumed "framework" trade talks between Japan and the United States on medical equipment, a Japanese official said Tuesday [7 June].

But the Foreign Ministry official told reporters after the first session of a two-day working-level meeting that the two sides agreed not to comment on details, noting he would probably be able to offer better information Wednesday.

He added that time was limited on the first day, with discussion starting in the afternoon and most of the session devoted to questions and answers by the two sides confirming the progress made before the talks stalled in February.

Government procurement of medical and telecommunications equipment is one of three priority areas, along with automobiles and auto parts, and insurance business.

Medical equipment is the last item in working-level talks on the priority areas that got restarted last Wednesday with discussions on the insurance business. Telecommunications sector talks were held separately last Friday and Saturday.

Asked whether the talks on government procurement are near agreement compared with other areas, the official said, "we feel relaxed" because substantial progress had been made by February. But he refused to describe the talks as a "front-runner," stressing that anything could happen "midway."

Japan and the U.S. agreed to resume working-level talks again on already-ended topics after making further progress but failing to narrow the gap on the crucial issue of "objective criteria."

On the medical equipment issue, the Japanese official said the two sides are arranging to meet again in mid-June.

U.S. Trade Representative Mickey Kantor reportedly indicated in Paris that the U.S. is not seeking agreements in all three sectors before the Naples summit of the Group of Seven leading industrialized nations in July.

However, the Japanese official also suggested the possibility of such sectoral agreements, saying that no deadline was set when Japan and the U.S. agreed two weeks ago to restart the bilateral trade talks.

But he noted, "We are not aiming for that."

Okinawa's Governor To Ask U.S. To Reduce Bases

OW0706085094 Tokyo KYODO in English 0819 GMT
7 Jun 94

[Text] Naha, June 7 KYODO—Okinawa Gov. [governor] Masahide Ota will urge the U.S. Government and military to reduce its bases in Okinawa during a 13-day trip to the United States starting Thursday [9 June], prefectural officials said Tuesday.

Ota, who has visited the U.S. twice over the issue, is scheduled to meet commanding officers of the Hawaii-based U.S. Pacific Fleet.

In Washington he will have talks with representatives for Secretary of State Warren Christopher and Defense Secretary William Perry as well as with members of the Senate and House Armed Services Committees.

Some 75 percent of U.S. military facilities in Japan are located in Okinawa, Japan's southernmost prefecture. Ota hopes to convince Washington that a partial withdrawal from Okinawa, which would make more land available for nonmilitary purposes, will help the prefecture's economic development.

On Ota's wish list are the return of the U.S. naval port in Naha, and the abolition of parachute training and live-ammunition exercises.

The governor also plans to meet former Secretary of State Henry Kissinger, who served as the late U.S. President Richard Nixon's adviser during the negotiations for the return of U.S.-held Okinawa to Japan.

Okinawa was reunited with Japan after a 27-year occupation on May 15, 1972, under the condition that U.S. forces would be allowed to continue to use Okinawan bases.

Ota plans to ask Kissinger for more details about a secret document guaranteeing the reentry of U.S. nuclear weapons and transit rights in Okinawa in case of emergency. The pact was signed in 1969 by then Japanese Prime Minister Eisaku Sato and Nixon as revealed in a recently published book, the officials said.

More Reports on Reaction to DPRK Related Issues

U.S. Asks End to Cash Flow to DPRK

OW0806064994 Tokyo KYODO in English 0640 GMT 8 Jun 94

[Text] Tokyo, June 8 KYODO—The United States has called on Japan to stop bank remittances and cash gifts from Korean residents of Japan to North Korea because of Pyongyang's suspected nuclear development program, a top Japanese diplomat said Wednesday [8 Jun].

Shunji Yanai, director general of the Foreign Ministry's Foreign Policy Bureau, quoted U.S. Government officials as saying that there are strong demands in Congress and mass media for Japan to halt cash remittances.

Yanai made the statement at the day's session of the House of Representatives Foreign Affairs Committee. He represented Japan at weekend trilateral talks in Washington with Robert Gallucci, U.S. assistant secretary of state, and Kim Sam-hoon, South Korean special envoy for the nuclear issue.

The Cabinet Information Research Office reportedly estimated the aggregate annual amount of cash flow between Japan and North Korea, including two-way trade and investment, at 180 to 200 billion yen.

Yanai also quoted Gallucci as saying the U.S. will urge China to stop exports of oil to North Korea, which reportedly depends on China for 60 percent of its oil imports and 75 percent of its food imports.

Meanwhile, Foreign Ministry officials told a team of the no. 1 opposition party, the Liberal Democratic Party (LDP), on Wednesday that Japan has expressed its willingness to comply with the U.S. call to stop cash remittances to North Korea, LDP officials said.

Yanai and other diplomats told the team headed by LDP Policy Affairs Research Council Chairman Ryutaro Hashimoto that it is possible to regulate cash gifts to relatives from Korean residents of Japan traveling to North Korea by sea and air, the officials said.

Japan need only take "legal measures" to put a ceiling on the sum of money Korean travelers are legally allowed to take out of Japan to North Korea, Yanai was quoted as saying.

A ministry official said, "some rationale is needed to hold down the maximum sum of money a traveler would be allowed to take to a specific country."

Ministry officials also said it is legally possible to ban the entry of North Korean diplomats to Japan as part of a package of sanctions.

However, they said the maximum curb Japan could impose on limiting the travel and reentry of Korean residents of Japan between Japan and North Korea is a nonbinding "recommendation for them not to travel to North Korea."

"It is impossible to ban the travel of ordinary citizens in view of international laws and the U.N. Convention on Human Rights," a ministry official was quoted as saying.

The official also told the LDP team that he believes the U.S. would not be able to slap multilateral sanctions with Japan and South Korea "without awaiting the issuance of a UN Security Council resolution."

In a related development, a government source expressed distrust in North Korea's handling of its people.

"North Korea spends most of its national income on military expenditure," he said, and added that the country's common sense is beyond comprehension for Japanese people.

"A dictatorship tends to create tension among foreign countries and tries to impose order domestically while keeping its people hungry," he said.

Tokyo Opposes Immediate Sanctions

OW0806082794 Tokyo KYODO in English 0808 GMT 8 Jun 94

[Text] Tokyo, June 8 KYODO—Japan will urge China to persuade North Korea to accept international inspections of its nuclear facilities, Prime Minister Tsutomu Hata said Wednesday.

Hata made the remarks at the House of Representatives Budget Committee, answering questions about Foreign Minister Koji Kakizawa's scheduled visit this weekend to China and South Korea.

"China has great influence over North Korea. It is making various kinds of dialogue efforts and I hope it continues them," Hata said.

Kakizawa's visit was arranged for emergency consultations on North Korea's suspected nuclear weapons program and potential punitive measures against Pyongyang, according to government sources.

Cabinet Legislation Bureau chief Takao Ode said at the same session that if Japan resorts to force following a possible U.N. Security Council resolution on sanctions, the action would violate the war-renouncing Constitution.

At a separate session of the lower house Foreign Affairs Committee, Kakizawa reiterated Japan's stance that it does not immediately urge economic sanctions against Pyongyang.

The foreign minister said he hopes the United States keeps Japan's reluctance in mind at a Security Council meeting now in session.

Kakizawa denied a possibility that Japan, South Korea and the U.S. will impose sanctions outside the framework of the Security Council if China, Pyongyang's last remaining ally, vetoes them.

The U.S. has called on other Council members to join in a proposal to slap sanctions on North Korea for down-loading some 8,000 spent nuclear fuel rods from a nuclear reactor, a move that the U.S. warns could lead to the production of several nuclear bombs.

Hata Reiterates Hope for PRC Role

OW0806055294 Tokyo NHK General Television Network in Japanese 0300 GMT 8 Jun 94

[Excerpt] The issue of North Korea's suspected development of nuclear weapons was addressed in the House of Representatives' Budget Committee session today. Speaking at the committee session, Prime Minister Tsutomu Hata reiterated his hope that China will use its power of influence over North Korea to resolve the problem.

[Begin Hata recording] China is a country with very close friendly relations with North Korea, and their economic ties are very strong too. That being the case, China holds a lot of influence over that country. In addition, China is a permanent member of the UN Security Council. And while we would like to learn more about China's views, we would certainly like it to use its power of influence. [end recording]

Prime Minister Hata added that although Japan wanted a solution through dialogue, government offices were, of course, exchanging information among themselves about

contingencies that might arise. He said the government would take appropriate action to fulfill its role in the international community.

Foreign Minister Koji Kakizawa also spoke at the session. He is due to visit South Korea and China on 11 and 12 June respectively. He said that in Seoul he wanted an exchange of views so that South Korea and Japan could cooperate in taking efficient action.

In China, he said, he wanted to ask that Beijing make efforts to persuade North Korea to accept inspections by the International Atomic Energy Agency. [passage omitted]

LDP Dietmen Meet U.S. Diplomat

OW0706143794 Tokyo KYODO in English 1335 GMT 7 Jun 94

[Text] Tokyo, June 7 KYODO—Two senior Liberal Democratic Party (LDP) lawmakers Tuesday [7 June] agreed with a senior U.S. diplomat Tuesday to try to dissuade North Korea from backing out of the Nuclear Nonproliferation Treaty (NPT), LDP officials said.

Taku Yamasaki, former Defense Agency director general, and Yoichi Tani, executive member of the Japan-North Korea Parliamentarians' League, met Rust Deming, minister-counselor at the U.S. Embassy, to discuss growing tension over Pyongyang's nuclear program.

The Japanese legislators are scheduled to leave June 14 for North Korea.

Kakizawa, ROK Foreign Minister Meeting

OW0806091894 Tokyo KYODO in English 0902 GMT 8 Jun 94

[Text] Tokyo, June 8 KYODO—Foreign Minister Koji Kakizawa and his South Korean counterpart Han Sung-chu agreed Wednesday [8 June] to discuss North Korea's alleged development of nuclear weapons this weekend, Foreign Ministry officials said.

Kakizawa and Han reached the agreement in a five-minute telephone call made by the South Korean foreign minister who stopped through Narita [International Airport] on his way to China from New York, the officials said.

Han briefed Kakizawa about his trip to New York, they said.

Kakizawa is expected to visit South Korea Saturday for talks with Han and go to China Sunday to meet Chinese Foreign Minister Qian Qichen.

Problems involving Pyongyang's suspected development of nuclear weapons is expected to top the agenda for Kakizawa's talks with his South Korean and Chinese counterparts.

Pro-Pyongyang Koreans Protest Police Raids
*OW0606132894 Tokyo KYODO in English 1309 GMT
 6 Jun 94*

[Text] Tokyo, June 6 KYODO—The pro-Pyongyang General Association of Korean Residents in Japan (Chongnyon) on Monday [6 June] protested police raids earlier in the day on an educational foundation and 26 other locations affiliated with the organization in Kyoto

The Chongnyon's Central Committee issued a statement demanding that Japanese authorities immediately halt their alleged "political suppression" of Korean residents of Japan.

Police raided Kyoto Chosen Gakuen, an educational foundation running schools for Korean students, on suspicion of illegally buying land without notifying Kyoto Municipal authorities of the intended use of the property.

Among other locations searched by investigators was the Kyoto Prefectural headquarters of Chongnyon.

In April, police searched the Osaka headquarters of Chongnyon, on suspicion of disturbing a citizens' meeting that was held to urge North Korea to release political prisoners.

North Korea's official media has since published almost daily condemnations of the "hostile acts" of Japanese authorities, charging that the police action has been timed to coincide with the aggravation of the situation on the Korean peninsula.

Kyoto Apologizes for Raid

*OW0706075994 Tokyo KYODO in English 0714 GMT
 7 Jun 94*

[Text] Kyoto, June 7 KYODO—Kyoto city officials apologized Tuesday [7 June] for the oversight that led to a police raid Monday on the Kyoto chapter of a pro-Pyongyang group of Korean residents and its school, Kyoto Chosen Gakuen.

Haruyuki Nishi, head of financial affairs for the Kyoto municipal government, apologized for the city's oversight in thinking that the school had failed to submit a report required under the National Land Utilization Law.

Kyoto police raided 27 locations associated with the General Association of Korean Residents in Japan (Chongnyon), including the school, believing the school had failed to submit a report on the intended uses of the land.

The 43,000 square meters of land was purchased from Kyoto farmers between March 1990 and October 1991 for the relocation of the school building.

The land is located in an urbanization control area and the law requires that necessary information must be filed with the municipal government upon transaction of such land.

On Tuesday, Nishi said police had inquired in late March about the land transaction and an official in the city's land uses inspection section overlooked the proper entry in the city's ledger.

Nishi also explained that since 1987 the city has been computerizing its operations under the law, but the school's transaction had not yet been put in the computer.

As the computerization operations continue, city officials will double-check the data to avoid a recurrence of the incident, he added.

Earlier Tuesday, Chongnyon members in Kyoto protested the raid and demanded an apology and the return of confiscated articles.

Meanwhile in Tokyo, the head of Chongnyon's international division, Kim Tae-hui, demanded an apology and tighter control over "unjust raids and violations of human rights by police authorities."

Police raided Chongnyon's Osaka offices in April on suspicion that the association's members disrupted a rally by another group of Korean residents demanding North Korea release political prisoners.

Monday's mistaken raid also comes amid a growing number of attacks on students of Chongnyon-affiliated schools, believed to have been sparked by allegations that Chongnyon members send billions of yen annually to relatives in North Korea.

The U.S. Government believes that at least some of the money is funneled to the financially strapped North Korean Government and may be used to fund a suspected nuclear arms development program.

Discrimination Against Koreans Probed

*OW0806043394 Tokyo KYODO in English 0342 GMT
 8 Jun 94*

[Text] Tokyo, June 8 KYODO—The Justice Ministry has started an investigation into discriminatory actions against Korean residents in Japan that have reportedly increased with the recent focus on North Korea's suspected nuclear arms development, ministry officials said Wednesday [8 Jun].

The actions include verbal abuse and physical harassment such as knifing of clothes against students of Korean schools. Female students of schools run by the pro-Pyongyang General Association of Korean Residents in Japan (Chongryun) wear traditional Korean clothing for uniforms, which could make them a target.

At a meeting Tuesday night of the House of Representatives Justice Committee, Yasuo Kakehi, head of the ministry's Civil Liberties Bureau, said the ministry thinks such acts violate human rights and is investigating them.

Justice Minister Hiroshi Nakai told the meeting that Korean residents in Japan should have the same human rights as Japanese nationals.

Poll: Majority Want UN Security Council Seat

*OW0406083494 Tokyo KYODO in English 0810 GMT
4 Jun 94*

[Text] Tokyo, June 4 KYODO—The majority of Japanese surveyed are aware and supportive of Japan's bid to become a permanent member of the U.N. Security Council, according to a government survey released Saturday [4 June].

The survey conducted by the Foreign Ministry showed 58.9 percent of respondents knew that Japan's permanent membership is being discussed in connection with the reorganization of the Security Council.

The poll also found that 52.9 percent think Japan should hold a permanent seat on the council, while 14.8 percent think otherwise.

The survey, conducted between late January and February on a sample of 2,000 people aged 20 years or older, is the first of its kind conducted by the ministry. Of those polled, 1,420 replied, ministry officials said.

The officials expressed relief over the results of the survey, saying that public interest has been high ever since the government began stepping up debate on the issue last July.

Among those supporting Japan's permanent membership, 41.2 percent said that as an economic superpower Japan should actively participate in building world peace, according to the survey.

Another 27.5 percent replied that permanent membership by Japan, a nonnuclear state which professes pacifism, would contribute to world peace, while 25 percent said it is strange that Japan cannot contribute its opinions on important decision-making in the U.N. when it is making great financial contributions.

Also among the supporters, 41.2 percent said Japan should make contributions as much as possible, including participation in U.N. peacekeeping activities, within the limits of its war-renouncing Constitution.

But 38.8 percent said that although Japan should make the utmost in contributions within constitutional limits, it should not make any military contributions, including joining peacekeeping activities.

Of those opposed to Japan's permanent membership, 60.7 percent replied that Japan should not take part in making decisions on international peacekeeping which involves military might, while 36.9 percent expressed concern over the greater responsibilities of becoming a permanent member, according to the poll.

Also, 20.2 percent said Japan is not great enough as a nation to become a permanent member.

Hiroshima Atomic Dome Proposed as UN Heritage Site

*OW0706063594 Tokyo KYODO in English 0618 GMT
7 Jun 94*

[Text] Tokyo, June 7 KYODO—Prime Minister Toshimori Hata instructed his aides Tuesday to consider having the Hiroshima atomic bomb dome placed on a UN list of world heritage sites.

Hata told an informal cabinet meeting he supports registration of the building and directed Chief Cabinet Secretary Hiroshi Kumagai and other officials to look into the matter, officials said.

"Nuclear weapons are a tragic thing and Japan ought to be telling the people of the world that it is the only country to have suffered an atomic bombing," Hata told reporters after the meeting.

The move followed a proposal at the meeting by Koshiro Ishida, director general of the Management and Coordination Agency, that the dome should become a heritage site to mark next year's 50th anniversary of the end of World War II.

Ishida told a news conference the listing of the dome deserves consideration because the Nazi-built World War II Auschwitz concentration camp in Poland is also on the UN list. Poland placed it on the list in 1979.

Several million people, many of them Jews, were killed in the concentration camps.

Supporters of the bid to have the dome registered have argued that it is comparable in significance to the Auschwitz camp since it is a symbol of the suffering caused by the war and a reminder of the dangers of nuclear warfare.

"Japan is the only country to have suffered an atomic bombing and has an obligation to signal peace to the world," Ishida said.

Japan joined the UN Educational, Scientific and Cultural Organization (UNESCO) convention concerning the protection of the world cultural and natural heritage in June 1992, 20 years after its creation.

The dome, a symbol of the nuclear attack on the city in the closing days of World War II, is part of the former Hiroshima Prefectural Industrial Promotion Hall designed by Czechoslovak architect Jan Letzel.

The ferroconcrete building was some 160 meters below the point at which the atomic bomb exploded on Aug. 6, 1945.

The World Heritage Program, begun in 1978, aims to protect sites and landmarks of outstanding universal significance.

The UNESCO list of more than 360 sites throughout the world includes the Great Barrier Reef in Australia, the

Taj Mahal in India, Chartres Cathedral in France, and Serengeti National Park in Tanzania.

The four sites Japan has listed include Yakushima, an island dotted with Japanese cedars off the southernmost main island of Kyushu, the Shirakami mountain region with its beech trees straddling Aomori and Akita Prefectures in northern Japan, the seventh-century Horyuji temple in Nara Prefecture and the 17th century Himeji Castle in Hyogo Prefecture, both western Japan.

The Hiroshima city assembly and Rengo Hiroshima, an organization comprising a number of local groups, have backed a campaign to persuade Diet members to register the dome.

But to qualify for placing by the government on the UNESCO list, sites in Japan must be designated under the Cultural Properties Law.

The Agency for Cultural Affairs, which administers the law, normally only registers sites from before the post-feudal Meiji era, which began in 1868.

Any decision to register the dome would have to be made in time for a UNESCO-sponsored international meeting in December at which site nominations are assessed.

OECD Not Making Specific Demands on Tokyo

*OW0806040994 Tokyo KYODO in English 0359 GMT
8 Jun 94*

[Text] Tokyo, June 8 KYODO—Chief Cabinet Secretary Hiroshi Kumagai said Wednesday [8 Jun] he thinks the Organization for Economic Cooperation and Development (OECD) was not making specific demands on Japan in its statement released the previous day.

The OECD, which on Tuesday began a two-day ministerial conference in Paris, suggested in the statement that countries whose economies are not recovering from recession should adopt further financial easing and fiscal measures.

"There certainly are such phrases (urging the measures) here and there. However, I don't think the wording means that they want Japan to specifically make additional efforts in its policies," Kumagai said.

Peru Reiterates Wish To Join APEC

*OW0606143194 Tokyo KYODO in English 1405 GMT
6 Jun 94*

[Text] Tokyo, June 6 KYODO—Peruvian President Alberto Fujimori reiterated Peru's wish to join the Asia-Pacific Economic Cooperation (APEC) forum, Foreign Ministry officials said Monday [6 June].

Fujimori voiced the bid in a dinner meeting with Prime Minister Tsutomu Hata, the officials said.

Hata told Fujimori that APEC agreed last November to freeze new membership to the forum for three years.

Although Japan has urged other APEC member nations to allow Peru's participation in the forum's working group meetings, no consensus was achieved, Hata was quoted as saying.

Fujimori is in Japan on a four-day unofficial visit that began Sunday. He is to leave for China Wednesday for an official state trip.

The visit is Fujimori's fifth to Japan, including one before he became president.

Also during the two-hour dinner meeting, Hata called for Peru's cooperation so Japan could provide yen loans to Peru.

The loans are to cover three projects to rehabilitate water and sewage facilities in Lima, improve harbor facilities in Peru's main seaport of Callao Bay, and to complete irrigation facilities, the officials said.

Hata also told Fujimori Japan plans to send a mission to Peru as soon as possible to study Tokyo's future economic and technical cooperation, they said.

Japan suspended sending experts to Peru after the July 1991 murder of three aid workers but partially resumed technical cooperation to Peru this January.

Hata also gave high marks to Fujimori's tackling of terrorism and economic reforms, the officials said.

Fujimori told Hata he has achieved most of his initial goals to tackle terrorism, economic and administrative reforms, and accumulated debt.

Central Bank Chief Leaves To Attend London Conference

*OW0706044694 Tokyo KYODO in English 0358 GMT
7 Jun 94*

[Text] Tokyo, June 7 KYODO—Bank of Japan Governor Yasushi Mieno left Tokyo Tuesday morning [7 Jun] to attend international monetary meetings in London.

The meetings include the International Monetary Conference of Central Bankers from Industrialized Nations.

Mieno is scheduled to return home on Sunday.

Tokyo, Bonn To Hold First Defense Meeting

*OW0406081894 Tokyo KYODO in English 0733 GMT
4 Jun 94*

[Text] Tokyo, June 4 KYODO—Japan will hold the first working-level defense meeting with Germany on Monday and Tuesday in Bonn as part of its program for promoting security dialogue with other nations, government officials said Saturday [4 June].

At the meeting, the Defense Agency's senior staffs, headed by Defense Councilor Ken Sato, will discuss with

their German counterparts various security issues, including U.N.-sponsored peacekeeping operations, the officials said.

The joint talks were first proposed by German Defense Minister Volker Ruehe last November to then Defense Minister Keisuke Nakanishi while he was visiting Tokyo.

The agency plans to hold bilateral meetings regularly thereafter because the two nations share common interest in acquiring permanent U.N. Security Council membership, defense sources said.

The Japanese defense officials are also scheduled to stop over in France to exchange views with the country's defense officers before heading for Germany, the government officials said.

Japan's Peacekeeping Cooperation Law, enacted in May 1992, restricts overseas operation of Self-Defense Forces troops to noncombat duties, as shown in the peacekeeping operation in Cambodia from 1992 to 1993.

Germany's Constitution also prohibits troops from participating in U.N. combat missions outside the North Atlantic Treaty Organization (NATO) territory.

But in attempting to occupy permanent Security Council seats, the two nations are likely to be more pressured to expand their role in U.N. peacekeeping operations.

World War II victors Britain, China, France, Russia and the United States are the only permanent members at present.

Government Changes Stand on Nuclear Weapons Use

OW0806120994 Tokyo KYODO in English 1136 GMT
8 Jun 94

[Text] Tokyo, June 8 KYODO—Japan will delete a phrase in an official statement that it does not regard the use of nuclear weapons as a violation of international law, Foreign Minister Koji Kakizawa said Wednesday [8 June].

Kakizawa, taking back an earlier position, said the government will revise the statement to "the use of nuclear arms is not consistent with the spirit of humanitarianism existing at the basis of international law because of its power of destruction, killing and wounding."

Kakizawa made the comment at a session of the House of Representatives Budget Committee.

The ruling coalition on Monday endorsed the previous phrasing which was compiled by the Foreign Ministry and was scheduled to be submitted to the International Court of Justice.

The government had maintained there were treaties banning the use of gas and chemical weapons but no treaty in existence banning the use of nuclear arms.

However, after the government's view was publicized on Monday, opposition parties and some cabinet ministers criticized the statement.

Management and Coordination Agency chief Koshiro Ishida said Tuesday, "It is regrettable to say the use of nuclear weapons does not violate international law." Environment Agency chief Toshiko Hamayotsu said the use of nuclear arms violates spirit of international law. Both Ishida and Hamayotsu belong to the Buddhist-backed Komeito [Clean Government Party].

A-bomb victims in Nagasaki and Hiroshima also raised objection to the government's standing on the issue.

At Wednesday's session of the committee, legislators from the opposition Liberal Democratic Party, Social Democratic Party and Japanese Communist Party criticized the statement saying it is not proper for Japan, the sole country to have experienced the wrath of atomic bombs, to recognize the use of nuclear arms.

Japan maintains three antinuclear principles—not to make, possess or harbor nuclear weapons on its territory.

The Hague-based international court called on nations concerned to submit a document on the issue after the World Health Organization (WHO) asked it in May to decide whether or not staging nuclear warfare violates international law.

Panel To Submit New Concept of Defense Buildup

OW0506072694 Tokyo KYODO in English 0701 GMT
5 Jun 94

[Text] Tokyo, June 5 KYODO—A private defense advisory panel to Prime Minister Tsutomu Hata will likely present a new concept for defense buildup, replacing the current concept of the Cold War period, panel sources said Sunday [5 June].

The nine-member panel, established by Hata's predecessor Morihiro Hosokawa earlier this year, is scheduled to offer recommendations to Hata by summer for a revision of the national defense program outline, which has served as Japan's basic defense policy since 1976.

A panel member, speaking on the condition of anonymity, said that the current concept should be changed following the end of the Cold War era because the concept still assumes large-scale disputes between the United States and the former Soviet Union.

The group so far has discussed post-Cold War developments around the world and the military situation surrounding Japan.

The panel is going to present an assessment of international situations that the world has changed from the

U.S.-Soviet confrontation to a new international order where complex threats spread.

The sources said that the planned new concept will pledge to maintain defense capability improvements based on the U.S.-Japan security pact.

They said the new concept will not aim at specific threats to Japan. The new concept will also urge readiness for regional conflicts, terrorist attacks and cooperation for U.N. peacekeeping operation, the sources said.

Observers said a new concept will demand a thorough review of the current level of Self-Defense Forces strength and formation.

Based on the panel's recommendations, defense policies, including Japan's future role in U.N.-led peacekeeping operations, will likely be revised in time for inclusion in the Defense Agency's budget requests for fiscal 1995.

Isuzu Motors To Set Up Three Plants in PRC

OW0606115794 Tokyo KYODO in English 0927 GMT 6 Jun 94

[Text] Tokyo, June 6 KYODO—A Japanese auto parts maker affiliated with Isuzu Motors Ltd. plans to establish three plants in China, company officials said Monday [6 June].

The officials of Jidosha Buhin Kogyo Co. said the plants will be set up in Jiangxi Province, Chongqing and Beijing, beginning next year.

They said the Jiangxi Province plant will supply parts to Isuzu's Chinese joint venture for truck production, Jiangling-Isuzu Motors Co.

The venture is expected to eventually boost annual production of small trucks to between 100,000 and 200,000 vehicles, the officials said.

A decision is pending on the scale of investment, they said.

PRC Environment Team Seeking aid in Tokyo

OW0606042294 Tokyo KYODO in English 0336 GMT 6 Jun 94

[Text] Tokyo, June 6 KYODO—A Chinese environmental delegation began meetings Monday [6 Jun] to seek funding from Japanese aid agencies and businesses for a 4 billion dollar sustainable development plan for China.

China's Agenda 21, developed with the UN Development Program (UNDP), contains 64 priority projects and over 500 total projects for sustainable and environmentally sound development in the next century, said Shi Han, a delegation member.

The delegation, led by Shi Jianmin, vice minister of China's State Planning Commission, arrived in Japan on Sunday.

It is scheduled to meet with several governmental and business organizations including the Foreign Ministry, the Environmental Protection Agency and the Ministry of International Trade and Industry.

China hopes to use part of the Agenda 21 funds to help make its industry more energy-efficient. It also wants to launch a clean-coal technology exchange with Japan, Shi said.

Tokyo, Moscow Agree on Regular Ferry Service

OW0406144094 Tokyo KYODO in English 0920 GMT 4 Jun 94

[Text] Sapporo, June 4 KYODO—Japanese and Russian maritime industries have agreed to jointly operate about 20 ferry services between Hokkaido and Sakhalin, Russia, for six months beginning in May 1995, Transport Ministry officials said Saturday [4 June].

The officials said the agreement was made in a shipping meeting in Yuzhno-Sakhalinsk in Russia.

The ferry service will link Korsakov in Sakhalin with the cities of Wakkanai and Otaru in Hokkaido, the northernmost part of Japan.

Under the agreement, reached by Japan's six shipping companies and a Sakhalin company, a 5,025-ton vessel owned by the Russian company will be used for the regular ferry service.

The shipping industries of the two nations have had talks since 1991, based on the Japan-Russia Maritime Agreement.

Two Officials To Leave for Former Yugoslavia

OW0406090294 Tokyo KYODO in English 0825 GMT 4 Jun 94

[Text] Okayama, June 4 KYODO—Officials from a small Japanese town will leave Tuesday [7 June] on a 10-day visit to former Yugoslavia in search of ways to provide assistance to the war-torn country.

The Kamogawa Town office in Okayama Prefecture, western Japan, enacted a unique local regulation in April calling on its people to conduct their own rescue operations in countries stricken by disasters and war.

This will be the first overseas dispatch of its officials under the regulation. It is very unusual for Japanese local governments to have such a rule, town officials said.

The two officials, Noboru Nishida, 45, and Kiyoshi Okada, 41, will fly first from Tokyo to Geneva where they will visit such U.N. bodies as the World Health Organization (WHO).

After entering the Croatian capital of Zagreb, the two will have a first-hand look at situations there and study how Japanese nongovernmental organizations and U.N. bodies are helping local people.

After their return, the town plans to draw up a concrete program for its own international assistance that will be applied to other countries in the future, the town officials said.

Tokyo To Give \$4 Million for Sudan's Food Program

OW0706092094 Tokyo KYODO in English 0846 GMT
7 Jun 94

[Text] Tokyo, June 7 KYODO—Japan will extend emergency aid of 4 million dollars to the World Food Program (WFP) to help people in Sudan facing serious starvation from civil war and drought, the Foreign Ministry said Tuesday [7 June].

The money will be used to cover the WFP's shortage of funds to transport food to the southern region of Sudan, where some 2.2 million people are said to be confronted with imminent starvation, according to the ministry.

The region's agricultural production has greatly deteriorated as a result of changeable weather, insects and the country's civil war which broke out in 1983.

The main mode of transportation for food is by air because the region lacks law and order and has poor infrastructure such as roads. But a shortage of funds has forced the suspension of two of the three possible air routes.

According to a survey conducted by the WFP, the death rate per day in southern Sudan stands at 11.2 people per 1,000, a "major catastrophe" by the standards of the World Health Organization (WHO), the ministry said.

Japan suspended extending official development assistance to Sudan in October 1992 due to the African nation's violation of human rights.

Ex-Im Bank Makes Loan for Thai Oil Refinery

OW0706084994 Tokyo KYODO in English 0825 GMT
7 Jun 94

[Text] Tokyo, June 7 KYODO—The Export-Import Bank [Ex-Im Bank] of Japan said Tuesday [7 June] it has extended credit to Thailand's Start Petroleum Refining Co. for an amount not exceeding 334 million dollars.

The Thai company will use the loan to purchase Japanese goods and services for building and operating an oil refinery in Map Ta Phu [place-name as received].

The International Finance Corp. and a syndicate of Japanese, American and European commercial banks will also provide credit for the project.

Lower House Approves FY 1994 Budget

LDP Call for Extra Fund Denied

OW0806060994 Tokyo KYODO in English 0522 GMT
8 Jun 94

[Text] Tokyo, June 8 KYODO—Prime Minister Tsumoto Hata on Wednesday [8 Jun] rejected a call from the primary opposition Liberal Democratic Party (LDP) for an extra 1.9 trillion yen to be added to the fiscal 1994 budget.

"The government-proposed budget program is insufficient as a means of boosting the nation's economy," LDP President Yohei Kono said at a news conference after meeting with the premier in the Diet building.

Citing the shortage of time for Diet deliberations, Hata refused to comply with the LDP's request for the extra money, Kono said.

"The government should take more active economy-spurring steps," the LDP chief said, adding, "I am a little concerned as to whether (Hata) really understands the importance of pump-priming measures."

The LDP, toppled from government last summer for the first time in 38 years, will submit to the Diet a motion calling for the additional 1.9 trillion yen in the government's 73.1 trillion yen draft budget for the current fiscal year, which started on April 1.

The long-overdue budget is scheduled to clear the decisive House of Representatives on Wednesday evening.

The LDP's modification plan will demand additional spending on public works projects, subsidies to private schools and financial assistance to small and medium-sized companies, among other things, LDP officials said.

It will also call for 800 billion yen in additional outlays for public works and 900 billion yen to support small enterprises, the officials said.

Under the proposal, the extra money should be financed through dipping into reserves, the issuance of public bonds and by cutting administrative costs, they said.

Kono has repeatedly warned the LDP will file a no-confidence motion against the Hata cabinet once the budget wins Diet approval.

FY 1994 Budget Passed

OW0806121294 Tokyo KYODO in English 1200 GMT
8 Jun 94

[Text] Tokyo, June 8 KYODO—The House of Representatives on Wednesday [8 June] approved a 73.08 trillion yen budget for fiscal 1994, 70 days overdue and three months after it was tabled in the Diet.

The passage of the bill at the lower house plenary session followed approval of the fiscal budget for the year that started in April by the Budget Committee of the lower house.

The ruling coalition, the Social Democratic Party (SDP) and new party Sakigake [Harbinger] voted for the bill, which was immediately sent to the House of Councillors.

Since the Liberal Democratic Party (LDP), the largest opposition bloc, plans no filibuster in the upper house, the budget is expected to become law in late June.

Diet debate on the budget, which was submitted to parliament on March 4, has been delayed due to a political squabble over former Prime Minister Morihiro Hosokawa's dubious financial deals in the past. Hosokawa stepped down in April amid the turmoil.

The budget bill remained shelved for 80 days in the lower house Budget Committee before it was approved after 13 days of discussion.

The nation's full spending plan includes 5.47 trillion yen in cuts in income and residential taxes to stimulate the economy.

Despite tight fiscal conditions, expenditures for public works projects were also increased by a brisk 4.0 percent.

Public works spending accounts for nearly 9 trillion yen of the 40.85 trillion yen general operating expenditures, the core part of the budget including most outlays other than debt serving costs and tax allocations to local governments.

Defense spending, in contrast, was raised by a scant 0.9 percent to 4.68 trillion yen.

Government operations in the current fiscal year has been financed by an 11.05 trillion yen stopgap budget that became law on April 1.

The temporary budget will be incorporated into the full budget.

Direct Investment Abroad Up 5.5 Percent in FY 1993

*OW0306133094 Tokyo KYODO in English 1100 GMT
3 Jun 94*

[Text] Tokyo, June 3 KYODO—Japanese direct investment overseas rose for the first time in four years in fiscal 1993 ended in March, climbing 5.5 percent to 36,025 million dollars, the Finance Ministry said Friday [3 June].

Such investment was encouraged by the appreciation of the yen against foreign currencies, higher costs of manpower in Japan and the growth potential of other countries, a ministry official said.

The figure was the fifth largest annual total on record. Direct overseas investment hit a record in fiscal 1989 but has since been declining, totaling 34,138 million dollars in fiscal 1992.

Japanese manufacturers invested strongly in the Asian region, with investment rising 17.9 percent to 3,659 million dollars.

Machinery makers stepped up investment in Asia by 103.8 percent to 434 million dollars, while food manufacturers raised theirs by 95.8 percent to 139 million dollars.

Other manufacturing sectors also boosted investment, with 63.7 percent growth reported by the electric machinery industry and a 55.6 percent increase by the transportation industry.

China and Hong Kong were the most popular regions for direct investment, with growth of 58.0 percent in total investment in China and a 68.4 percent increase in Hong Kong.

In contrast, direct investment in North America by Japanese manufacturers fell by 0.7 percent while Europe saw a 2.9 percent decline.

Investment by Japanese nonmanufacturers, however, grew by 20.4 percent in Europe and by 6.3 percent in North America.

Although large investments were seen by electric appliance companies in North America, and by chemical firms in Europe, the ministry official said that "large-scale investment in these areas has basically peaked out."

Foreign direct investment in Japan fell 24.6 percent to 3,078 million dollars.

Investment in the manufacturing sector dropped 2.8 percent, while falling a sharp 38.8 percent in the non-manufacturing sector.

In the nonmanufacturing sector, investment in service businesses declined by 74.8 percent, and by 77.2 percent in the financial and insurance industries.

Japan's economic slump and high investment costs discouraged foreign investors, the official said.

Government Urged To Narrow Domestic-Foreign Price Gap

*OW0606061194 Tokyo KYODO in English 0505 GMT
6 Jun 94*

[Text] Tokyo, June 6 KYODO—A panel of advisers urged the government Monday [6 Jun] to halve the gap between domestic and overseas prices of some Japanese products over the next five years by promoting deregulation.

To accomplish the proposal, a working group of Prime Minister Tsutomu Hata's task force on administrative reform will draw up a specific timetable this month for reducing price differences, according to a report submitted by the panel to cabinet ministers.

"It is a problem that Japan's basic prices are 36 to 50 percent higher than in the United States and European countries," Hata told a meeting of the working group discussing measures to promote imports and to improve market access and distribution.

"Reducing the gap in prices will not lead to deflation," he said. "Deregulation will help create domestic employment and allow foreign companies to enter the Japanese market."

After the meeting, Hata told reporters that he thought such a gap could be reduced by about 20 percent.

In a related development, business leaders chairing three government-commissioned economic advisory groups met separately to discuss problems associated with administrative reform.

But they failed to endorse a proposal by one of them, Tax Commission Chairman Kan Kato, to set targets for reducing price gaps, commission sources said.

The other participants were Gaishi Hiraiwa, who heads the Economic Council, and Eiji Suzuki, chairman of the Fiscal System Council.

Kato made the proposal to Hata recently along with other reform measures, including a review of the method for fixing public service charges.

The task force panel report, written by private-sector specialists of the working group, urged deregulation of the licensing system for retailers of liquor products, tobacco and rice by allowing other able and highly-motivated retailers to sell such products.

It proposed imposing mandatory upper-limit pricing for public services and other charges such as railway fares, and gas and electric fees.

The paper asked for authorization to establish self-service gas stations, while making it easier for trucking companies to get permission to increase the number of districts to which they are allowed to deliver cargo and parcels.

It urged the lifting of a ban on setting up holding companies, and called for a review of regulations on the amount of shares that can be owned in certain firms.

The report asked the government to phase out the current restrictions on establishing large-scale retailers and liberalizing imports and marketing of gasoline and other oil imports.

It also called for the abolition of exceptions to the formation of price and other competition-limiting cartels within five years.

U.S. trade negotiators have blasted the price gaps as the result of Japanese export industries' policy of subsidizing export prices by transferring the cost to Japanese consumers in the form of higher domestic prices.

More Foreign Access to Nation's Technology Urged

OW0806082594 Tokyo KYODO in English 0747 GMT
8 Jun 94

[Text] Tokyo, June 8 KYODO—Japan should give wider foreign access to its technologies and a new "technology-oriented society" with a freer outflow of technology, a government panel report said Wednesday [8 June].

According to the report by an advisory body to the minister of international trade and industry, the leader in the world of technology should boost access to its technological innovation for foreigners.

The report, released by a subcommittee of the Industrial Technology Council, also called for promoting international collaboration in developing new industrial technologies, while playing a key role in solving environmental problems and AIDS.

Unlike the conventional concept of a techno-society focused on technological development at home, the proposed new technology-based society would be primarily characterized by free inflows and outflows of industrial technologies.

Currently, Japan's technological exchange is overwhelmingly lop-sided, with the number of Japanese researchers studying in the United States five to six times higher than that of foreign researchers here.

Access to Japanese technologies for foreigners is one of the key themes of the stalled "framework" trade talks with the U.S.

The proposal comes with the emergence of the need to pursue global collaboration in technological areas due to slumping investments in research and development and a declining number of local engineers.

The same needs have emerged elsewhere, as the end of the Cold War has made technology a tool for economic growth, rather than for military expansion.

In addition, the ballooning costs and risks involved in technological development make global alliances meaningful.

In country-to-country technological transfers, Japan should pay more attention to assisting recipient nations, mostly developing countries, to upgrade their technological levels.

More globally, the country should take the initiative in fighting such global challenges as environmental protection with its advanced technological know-how, the report said.

Further Deregulation of Large Store Law Opposed
*OW0706045894 Tokyo KYODO in English 0353 GMT
 7 Jun 94*

[Text] Tokyo, June 7 KYODO—Representatives of four small-business organizations, in a petition delivered to Prime Minister Tsutomu Hata Tuesday [7 Jun], expressed opposition to a further relaxation of the large-scale retail stores law as part of economic deregulation.

A group of small-business executives, led by Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, called on Hata at the prime minister's official residence to deliver the petition concerning economic deregulation and tax reform.

The petition also said the proposed hike in the general consumption tax from the present 3 percent should be delayed until after national economic recovery.

It was signed by Inaba and top executives of three national small-business organizations.

Ministry To Remove Barrier Between KDD, NTT
*OW0706092194 Tokyo KYODO in English 0844 GMT
 7 Jun 94*

[Text] Tokyo, June 7 KYODO—The Postal Ministry will consider removing the telecommunications market barrier between KDD [Kokusai Denshin Denwa—International Telephone Company] and Nippon Telegraph and Telephone Corp. (NTT) as part of economic deregulation, ministry officials said Tuesday [7 June].

KDD controls Japan's international telecommunications market while NTT handles domestic telecommunications.

The NTT and KDD laws clearly define their business territories.

The Posts and Telecommunications Ministry will consider removing the barrier when it conducts a complete review of NTT operations in fiscal 1995, the officials said. The review is expected to cover a possible split-up of NTT.

KDD was set up in 1978 as a result of the separation and privatization of Nippon Telegraph and Telephone Public Corp.'s international division. NTT was born in 1985 when the corporation itself was privatized.

If a division of NTT were allowed to enter the international telecommunications market, the effect on the structure of Japan's telecommunications market would be serious, the officials said.

An advisory group for Prime Minister Tsutomu Hata earlier called for removal of the barrier between the international and domestic markets.

Ministry Revises Standards for Public Works Bidders

*OW0706131194 Tokyo KYODO in English 1301 GMT
 7 Jun 94*

[Text] Tokyo, June 7 KYODO—The Construction Ministry has revised qualification standards for general contractors taking part in biddings for public works projects in order to provide wider access to foreign firms, ministry officials said Tuesday [7 June].

The step was taken as the ministry prepares to introduce an open bidding system for large-scale projects in the current fiscal year that started April 1, the officials said.

They said safety records and measures to promote the welfare of workers will be added to the existing 17-point screening process to calculate the quality of bidding firms.

At present, the value of works completed in the past was given heavy weight in evaluating contractors.

Under the new method, small-scale firms with high technological standards and management foundations will receive high marks, the officials said.

As for foreign bidders, the number of engineers they employ and the length of their service in their home countries will be taken into account, they said.

The qualifications of general contractors are reviewed every other year in order to select reliable contractors.

The new evaluation method will be introduced in the next fiscal year that begins April 1, 1995, the officials said.

Reports on Reaction to Tax Hike Issue Continue

Reform Sought Before Tax Hike

*OW0606125094 Tokyo KYODO in English 1237 GMT
 6 Jun 94*

[Text] Tokyo, June 6 KYODO—The ruling coalition government came under pressure at a forum Monday [6 June] to carry out administrative and fiscal reforms ahead of a consumption tax hike.

The government of Prime Minister Tsutomu Hata held a tax reform forum Monday to hear views from representatives of business and consumer groups.

The representatives asked the government to continue income tax cuts in fiscal 1995 and beyond.

They were divided on a possible increase in consumption tax from the present 3 percent, but joined hands in calling on the government to carry out administrative and fiscal reforms over resistance from bureaucrats.

Business representatives told the session an increase in consumption tax will be unavoidable to generate funds

to make up for revenue shortfalls resulting from income tax cuts and to cope with the aging society.

Masae Wada, representative of the Japan Housewives Association, expressed opposition to a consumption tax increase, calling for a correction in the unfair tax system.

A labor representative called for a revision of consumption tax to transfer part of the revenue to local governments.

Tax Panel Set To Propose Tax Reform

OW0306135294 Tokyo KYODO in English 1156 GMT
3 Jun 94

[Text] Tokyo, June 3 KYODO—A government advisory panel is set to propose full-fledged tax reform, featuring a tacit call for 6.2 trillion yen in permanent tax cuts and an offsetting sales tax hike from the current 3 percent to above 6 percent.

Kan Kato, chairman of the Tax Commission, told a news conference that panel members "were convinced" of the need for tax reform in line with materials prepared at a meeting Friday [3 June] for regional hearings next week.

They included notes from discussions so far, social welfare measures prepared by the Ministry of Health and Welfare, fiscal 2000 revenue estimates and problems of the current income and consumption tax systems by the Finance Ministry.

The materials call for tax reform that results in net tax revenue increases after cuts and adjustments, and Finance Ministry estimates that would satisfy this goal would require hiking the consumption tax to between 7 percent and 10 percent.

The ministry estimates are based on a three-year time lag between the 6.2 trillion yen tax cuts and the sales tax hike, and also on a 10-20 year maturity of stopgap bonds for financing the advance tax cuts.

As for cutting income and resident's taxes, the panel is expected to call for lessening tax burdens in the 7-10 million yen annual income bracket, according to the materials.

Uncertainty remains whether the advisory panel to the prime minister will include concrete figures in its report to be compiled soon after the regional hearings.

Indeed, forum sources said the panel is inclined to exclude figures to avoid unnecessary political disputes, especially for the Social Democratic Party (SDP), which is sensitive about raising the consumption tax.

The SDP split off from the ruling coalition amid disputes over cabinet formation by Prime Minister Tsutomu Hata, thus leaving the coalition with a minority rule.

Kato has said the report will include various alternatives for the ruling parties to decide on tax reform led by

permanent tax cuts by the end of June, as Japan promised in the March market-opening package.

But even if the panel leaves the report vague, its implications will be quite obvious since the ministry's revenue estimates are also submitted to the ruling parties.

Meanwhile, Kato indicated earlier that the panel may call for a phased consumption tax hike—initially raising it only to 6 percent.

Considering administrative and fiscal overhauls, the panel is expected to call for government leadership to win public support for the planned tax reform that will ask for heavier tax burdens.

The panel chairman said he trusts Hata, who indicated his "strong determination" to promote administrative reforms when Kato visited the prime minister on Wednesday.

On the regional consumption tax, the report is to call for further discussions, the sources said.

Kato said the consensus is that local governments should have their own tax revenue sources but the panel is still undecided on the method, with various "clerical and technical problems" seen in adopting a regional consumption tax.

But he suggested in his earlier press remarks that the panel may encourage the ruling parties to decide on a regional tax, saying, "there are some political ways (to go about it)."

Public Hearings on Reform Initiated

OW0706045794 Tokyo KYODO in English 0402 GMT
7 Jun 94

[Text] Tokyo, June 7 KYODO—The government's Tax Commission on Tuesday [7 Jun] opened a series of public hearings on proposed tax reforms in Osaka and five other cities nationwide.

Similar hearings will be held in Tokyo and four other cities Friday, commission officials said.

The hearings are expected to focus on income tax cuts and a raise in the general consumption tax from the present 3 percent.

Tuesday's hearings are being held in Osaka, Nagoya, Sapporo, Sendai, Fukuoka and Kumamoto.

A total of 44 persons, including company executives, housewives and welfare workers, have been selected to express their views at the hearings.

The commission will take into account views expressed at the hearings when working out tax reform recommendations to be announced later this month, the officials said.

Indirect Tax Increase Proposed

*OW0706143694 Tokyo KYODO in English 1349 GMT
7 Jun 94*

[Text] Tokyo, June 7 KYODO—A study group composed of representatives of the ruling coalition parties on Tuesday [7 June] submitted a report to the umbrella committee on tax system reform calling for the boosting of indirect tax to realize a fair funding structure, group officials said.

The group, studying the pension, medical and other social welfare systems, said in the report that Japan should become a welfare-oriented society funded by the expansion of indirect tax.

The report said that, based on an impartial taxation system, the government should provide quality welfare, realizing long-term stable pensions, enhancing the efficiency of medical services and strengthening nursing care, they said.

It suggested that the government raise the consumption tax rate, currently at 3 percent, noting that taxpayers now bear too great an income tax burden and the rate of direct taxation is too high, creating unsteady tax revenues because of the close mirroring of economic fluctuations.

However, the report avoided referring to the margin by which the consumption tax rate should be raised.

The tax reform committee of the coalition parties will begin full-scale discussion of reform of the nation's tax system after Thursday when the results of two other study groups—on administrative reform and the fundamentals of taxation—are to be submitted.

Opinions 'Divided' at Hearings

*OW0706132794 Tokyo KYODO in English 1144 GMT
7 Jun 94*

[Text] Tokyo, June 7 KYODO—Representatives attending public hearings held by the government's Tax Commission on Tuesday [7 June] were divided on a proposed consumption tax hike to cope with the rapid aging of the population.

The commission's chairman, Kan Kato, however, expressed optimism that public support would be obtained for the tax raise.

Representatives of business, consumer and other groups expressed their opinions on tax reforms at the hearings held in Osaka, Nagoya, Sapporo, Sendai, Fukuoka and Kumamoto.

They generally called for income tax cuts on a continuous basis in and after fiscal 1995 but were split over a raise in the 3 percent consumption tax.

Even the proponents of the hike demanded administrative reforms and curbs on government expenditures as prerequisites for the raise.

They expressed hope that a hike would be held to the minimum level if it is unavoidable.

Kato, who attended a hearing in Osaka, told a news conference most representatives were "cooperative" on the proposed tax raise.

He said the commission would like to come up with a concrete plan, including the rate and timing of the tax hike, by the end of June.

The commission is planning similar hearings in Tokyo and four other cities Friday.

Kono To Submit No-Confidence Motion Against Hata

*OW0506114194 Tokyo KYODO in English 1027 GMT
5 Jun 94*

[Text] Fukuoka, June 5 KYODO—Yohei Kono, president of the largest opposition Liberal Democratic Party (LDP), renewed his party's determination Sunday [5 June] to submit a no-confidence motion against Prime Minister Tsutomu Hata's minority government.

Kono hinted at a news conference in Fukuoka the LDP would take the step once the long-overdue fiscal 1994 budget wins parliamentary approval.

He expressed cautious optimism that another major opposition party, the Social Democratic Party, could go along with the LDP on the motion.

Kono said it is up to Prime Minister Hata to challenge the no-confidence motion or elect to step down and call a snap election.

LDP's Gotoda on Cabinet, Political Realignment

OW0806051194 Tokyo FNN Television Network in Japanese 2332 GMT 5 Jun 94

[Editorial report] Tokyo FNN Television Network in Japanese at 2332 GMT, in its "News 2001" program, carries a 15-minute live interview in Tokyo with Masaharu Gotoda, former deputy prime minister from the Liberal Democratic Party [LDP], by moderator Yuji Kuroiwa, Keio University Professor Yoshiaki Kobayashi, and political commentator Kenichi Takemura.

At 2333 GMT, Kuroiwa asks Gotoda for his views on the Hata administration.

Gotoda says: "The Hata Cabinet lacks a power base as a cabinet under the system of parliamentary democracy. In the House of Representatives, for instance, little more than one third of the members belong to the ruling parties, and the figure drops to one quarter in the House of Councillors."

He adds that as the purpose of political reform is to introduce responsible political administration, the ruling

coalition should hand over political power to the opposition LDP and take the blame for causing the recent political chaos.

Gotoda then says: "From the viewpoint of parliamentary democracy or the parliamentary cabinet system, the Hata Cabinet is an anomaly," adding that this alone is sufficient reason for the opposition parties to submit a motion of no-confidence against the present cabinet.

The topic of discussion moves on to the next general election, and Gotoda says that right now the next general election could not be held under the new electoral system because it is uncertain when the Diet will approve the electoral redistricting bill.

Gotoda says that although the present cabinet is incapable of handling the pending important issues, such as North Korea, tax reform, and the Naples summit, the possibility of it facing a no-confidence motion is uncertain because both the LDP and the Social Democratic Party of Japan [SDPJ] are divided over the matter.

He predicts, though, that even without a vote of no-confidence the cabinet may be forced to resign en masse, regardless of the SDPJ's standing demand that it quit.

Gotoda says he is in favor of completing the redistricting bill as soon as possible so that elections can be held under the new system. He admits, however, that the Hata cabinet may not survive until the bill is passed, and the election may have to be held under the existing system.

"If that happens, the political parties should first promise voters that efforts to accomplish electoral reform will not be aborted. Otherwise, the people will not be convinced," he says.

Kobayashi says political realignment, on the basis of policy on pending issues, is needed before the next general election. He then asks Gotoda if he would act as leader of a camp opposing forces led by Ichiro Ozawa.

Gotoda says: "It would be impossible to complete political realignment before the next general election. I think it will take several years."

He says political realignment will be completed by the process of forming successive new administrations over the course of several general elections.

He says: "There is also the possibility that when the no-confidence motion is submitted, the coalition may simply reshuffle its party make-up to provoke the LDP and the SDPJ rather than dissolving the lower house to conduct a general election."

He adds that it is most important that the LDP strengthens its unity to deal with such a situation.

Asked about the possibility of a conservative alliance between the ruling coalition parties and the LDP, Gotoda says: "Such an alliance may result in the revival

of the 'Taisei Yokusankai' [an autocratic national political mobilization organization] seen before World War II."

Finally, at 2345 GMT, Gotoda says: "While both the LDP and the SDPJ have appeared to acknowledge the end of the '1955 political regime' [post-1955 political order in which the LDP dominated over the SDPJ and other opposition parties], they still unconsciously cling to the way things appeared in 1955.

He calls on all parties to deal with pending issues, each from their own different standpoint.

Ozawa: Parties To Begin Forming New Government

OW0606134094 Tokyo NHK General Television Network in Japanese 1000 GMT 4 Jun 94

[Announcer-read report over video; from the "NHK News 7" program]

[Text] Ichiro Ozawa, secretary general of the Shinseito [Japan Renewal Party], spoke at a lecture in Osaka today and indicated that as early as after the fiscal year 1994 budget bills have passed through the House of Representatives, ruling and opposition parties will begin moving toward forming a new government for the nation's basic policies, such as how to deal with the issue of DPRK's suspected development of nuclear weapons.

In his speech, Ozawa said: In the process of future political realignment, a new government must be one in which an agreement has been made in a calm and rational manner regarding not only personal relationships but also new policy issues so that it can respond to a new world order.

Making references to security matters, such as how to deal with the issue of DPRK's suspected nuclear weapons development and problems of administrative and financial reforms, Ozawa indicated that as early as after the fiscal year 1994 budget bills have passed through the lower house of the Diet, ruling and opposition parties will begin to move toward forming a new government to decide how the nation's basic policies ought to be.

DSP Elects Takashi Yonezawa as Party Chairman

OW0806082494 Tokyo KYODO in English 0739 GMT 8 Jun 94

[Text] Tokyo, June 8 KYODO—The Democratic Socialist Party (DSP), a party in the ruling coalition, on Wednesday [8 June] named Secretary General Takashi Yonezawa as party head, succeeding Keigo Ouchi, who resigned over a political blunder that brought about the first minority government in four decades.

Yonezawa was selected on the second day of the party's convention without a vote since he was uncontested.

The No. 2 post of secretary general was assumed by Kansei Nakano, a veteran party member of the House of Representatives.

Ouchi, health and welfare minister in the cabinet of Prime Minister Tsutomu Hata, stepped down from the party chairmanship under pressure from rank-and-file party members and supporters.

They have been disgruntled by his high-handed move to create a new parliamentary group, "Kaishin," without participation from the Social Democratic Party (SDP), then the coalition's largest bloc.

The SDP consequently walked out of the grouping just after Hata was elected prime minister, depriving the coalition of majority support.

At the convention, Yonezawa acknowledged the party's growing distrust of its main coalition partners, Shinseito [Japan Renewal Party] and Komeito [Clean Government Party], as well as ire toward the SDP.

He made clear he wants to keep the DSP within the coalition to counter the Liberal Democratic Party (LDP), the largest opposition force, while suggesting alliance talks with SDP lawmakers.

"There are also people within the SDP who can be our friends," he said.

He took critics against Shinseito and Komeito to task, calling them "emotional."

Diet Committee To Decide on Hosokawa Testimony

OW0706161094 Tokyo KYODO in English 1542 GMT 7 Jun 94

[Text] Tokyo, June 8 KYODO—The House of Representatives budget committee, overriding the ruling coalition's opposition, decided Tuesday [7 June] night that there should be a unanimous decision on Diet testimony by former Prime Minister Morihiro Hosokawa for his questionable personal finances.

Parliamentary sources said the opposition camp, led by the Liberal Democratic Party, pushed for a Hosokawa testimony, encouraged by budget committee chairman Tsuruo Yamaguchi.

Yamaguchi, a Social Democratic Party member, proposed that both the ruling coalition parties and opposition parties should decide unanimously on whether or not Hosokawa testifies before the Diet about his personal finances, an issue which drove him out of power in April.

Yamaguchi said the Hosokawa issue should be determined after testimony by Hosokawa's former secretary Masatoshi Miyama, who the opposition camp alleged has a good grasp of the former premier's monetary affairs.

Former FTC Head Denies Bid-Rigging Deal With LDP

OW0306082594 Tokyo KYODO in English 0805 GMT 3 Jun 94

[Text] Tokyo, June 3 KYODO—A former Fair Trade Commission (FTC) chairman Friday [3 June] denied the commission made a back-door deal with politicians in 1992 not to file a criminal complaint against a bid-rigging group in exchange for their help in revising the Antimonopoly Law.

Former FTC head Setsuo Umezawa told the House of Councillors Budget Committee that his contacts with then ruling Liberal Democratic Party (LDP) members were necessary for consulting about the law.

But Umezawa, testifying as a witness, flatly denied any FTC deals with LDP members, saying, "it is absolutely untrue."

Criticized over the ineffectiveness of the law in stopping rampant bid-rigging by construction contractors, the FTC had considered raising penalties against firms breaking the Antimonopoly Law but met with strong opposition from some LDP members who had represented the profits of contractors.

In early 1992, the FTC made on-the-spot inspections of contractors allegedly involved in a bid-rigging case in Saitama Prefecture, north of Tokyo.

But by the time it was considered unavoidable for the FTC to file the complaint, the commission announced in May 1992 it would not file any accusation with prosecutors and only ordered the 66 companies involved to stop the antimonopoly practice.

Some LDP members are suspected of having pressured the FTC to drop the complaint on behalf of the group of 66 companies, including major contractor Kajima Corp.

The FTC is suspected of then having chosen not to file the complaint with prosecutors because it wanted the LDP members' cooperation in revising the Antimonopoly Law according to the way it had originally planned.

One of the LDP members, former Construction Minister Kishiro Nakamura, was arrested in March this year and later indicted on a charge of accepting a 10 million yen bribe from Kajima in January 1992 in exchange for helping to block the FTC's criminal allegation.

Lower House Speaker Doi Urges Diet Reform

OW0306133294 Tokyo KYODO in English 1015 GMT 3 Jun 94

[Text] Tokyo, June 3 KYODO—House of Representatives Speaker Takako Doi on Friday [3 June] proposed upgrading the lower house council on political ethics to a standing committee as part of a personal Diet reform plan.

Doi urged the lower house's Steering Committee Chairman Keiwa Okuda to draw up a concrete plan based on a personal plan that she has put together through study meetings she has held since she assumed the Diet post in August 1993.

It is very unusual for lower house speakers to refer to the steering committee their own ideas for reforming the Diet.

In her personal scheme, Doi advocates promoting the Ethics Council to become a new standing committee on "political ethics" by which the Diet can promptly deal with scandals involving politicians and clarify structural cause of corruption.

To effectively deal with scandals, the new committee should be entitled to summon people to a session to testify under oath, according to her plan.

In Doi's plan the press would be allowed to take pictures of witnesses testifying before the Diet.

At present, the Diet prohibits the press from taking any pictures while testimony is under way to protect the rights of witnesses.

Also, Doi recommends setting up a new Diet Information Center to provide easy public access to the minutes of both plenary and committee sessions.

In the future, Doi said, the Information Center should establish a data base that can provide people with past remarks by government officials in the Diet on various subjects.

Kubo on Political Scene, DPRK Sanctions

OW0706044494

[Editorial report] Tokyo FNN Television Network in Japanese at 2230 GMT on 5 June 1994, in its "News 2001" program, carries a live 34-minute studio interview with Wataru Kubo, secretary general of the opposition Social Democratic Party of Japan [SDPJ], by FNN announcer Yuji Kuroiwa, Keio University Professor Yoshiaki, and political commentator Kenichi Takemura in Tokyo.

At 2241 GMT, Kuroiwa begins the interview by asking Kubo about the possibility of the SDPJ returning to the ruling coalition.

Kubo says: "I am always willing to meet Mr. Ozawa [secretary general of Shinseito (Japan Renewal Party)] to discuss how to handle Japanese politics."

He is then asked by Kobayashi to comment on Ozawa.

Kubo says: "Mr. Ozawa has his own strategy and he pushes for his strategy in a high-handed manner," adding that he has often felt Ozawa has not listened to what others have said.

He also says: "The claim, though, that the Hosokawa government was under Mr. Ozawa's thumb, is incorrect."

Asked again about the possibility of the SDPJ returning to the ruling coalition, Kubo says: "Keeping a minority government in power is undesirable at a time when Japan is saddled with a lot of sticky domestic and foreign issues. The Hata government must be ousted from power."

He adds: "The ruling parties have called on the SDPJ to return to the ruling coalition, but it would be difficult for the SDPJ to join the Hata government.

"We want the Hata cabinet to resign en masse after the passage of the 1994 budget bill in the Diet. What we are saying is that the SDPJ is willing to discuss with other parties ways to form a new coalition government."

He is then asked by Kobayashi about the SDPJ's "uncompromising" conditions for joining the discussion on formation of a new coalition government. Kubo notes the three-point agreement reached among the coalition partners when they formed the Hosokawa government.

"The SDPJ cannot accept any change in the three-point agreement and will concede to other parties, if needed, on the basis of the three-point agreement."

[Editorial report] At this point an unidentified FNN correspondent reports from Seoul on South Korean reaction to North Korea's nuclear ambitions. Kuroiwa says the United States is highly likely to ask Japan to halt current remittances to DPRK by ethnic Koreans residing in Japan. He asks Kubo to comment.

Kubo says: "In reality, it is difficult to halt the remittances. It is difficult because they are made through third countries. I believe that there are various problems in trying to halt the remittances. I think there are things that need to be done before the United Nations imposes economic sanctions against North Korea. We should not put the emphasis on discussing how to impose the economic sanctionsKorean expert on North Korean affairs, discussing what the United States will ask Japan to do to support economic sanctions.

Kubo is asked to respond, and says: "I believe that given the U.S. strategy United J?"

Kubo says: "The SDPJ should first indicate to the people how it will deal with the situation when the Hata cabinet is voted out of power in the Diet."

Discussing the possibility of the SDPJ forging an alliance with the LDP, Kubo says: "The SDPJ will not forge any alliance with the LDP and the SDPJ will not return to the Hata government. We will seek to form a new coalition government."

Hinting at the big possibility of the Hata cabinet resigning en masse, Kubo says the SDPJ wants the Hata

cabinet to seek the confidence of the people by dissolving the House of Representatives and holding general elections.

Revision of Lifetime Employment System Proposed

*OW0606115694 Tokyo KYODO in English 0921 GMT
6 Jun 94*

[Text] Tokyo, June 6 KYODO—A Labor Ministry panel proposed Monday [6 June] that Japan's traditional life-long employment system be revised to meet the changing industrial structure and the fast growing aging population, officials said.

The officials said the proposal was made in a report worked out by the Labor Ministry's Employment Policy Research Group.

The officials said the report urged the government to map out a new employment policy that would include revising the seniority-based, lifetime employment system, long hailed as contributing to Japan's economic growth.

In view of the changing industrial structure and graying society, new labor problems are expected to arise that the traditional employment system will not be able to overcome, the report said.

To promote structural change through deregulation and maintain the labor supply-demand balance, it is necessary for the government to implement appropriate macroeconomic policies and investment expansion designed to achieve annual economic growth of about 3.0 percent, the report said.

While basically maintaining the long-term employment system, new steps must be taken by enterprises to develop human resources and secure part-time workers, the report said.

The officials said the report also stressed the need for the government to systematically foster workers engaged in public welfare-related fields to cope with the aging society.

It urged the government to consolidate the environment in which middle-aged and senior workers are allowed to work to the age of 65.

The report also called on the government to take positive steps to promote employment of female workers.

The officials said the report will be reflected in a new employment policy to be worked out by the ministry.

Poll Shows Most Firms Set Retirement Age at 60

*OW0506102094 Tokyo KYODO in English 0812 GMT
5 Jun 94*

[Text] Tokyo, June 5 KYODO—More than 80 percent of large and small Japanese firms have set a mandatory

retirement age at 60, reflecting growing corporate willingness to retain employees for longer periods, according to a government survey released Sunday [5 June].

The poll by the Management and Coordination Agency, however, also revealed many companies still resist government recommendations for post-retirement employment for those willing to work beyond 60 years of age.

The survey of 40,085 companies with more than 50 workers in Tokyo, Hokkaido and 15 other prefectures in 1992 shows that 83 percent set the mandatory retirement age at 60, up sharply from 65 percent in 1989, 73 percent in 1990 and 77 percent in 1991.

By size, 95 percent of firms with over 1,000 employees maintain the policy, compared with 88 percent having 300 to 499 employees and 78 percent for those with 50 to 99 employees, the survey said.

Of the responding companies, 82 percent have established post-retirement employment policies, but only 30 percent hire those workers wishing to stay on past 60.

The survey shows 36 percent of companies with 50 to 99 employees keep all workers wishing to stay on the payroll. The comparable figure for big firms is only 9 percent.

Major Companies To Cut Work Force in Half

*OW0406081794 Tokyo KYODO in English 0651 GMT
4 Jun 94*

[Text] Tokyo, June 4 KYODO—Over 50 percent of the major companies listed on the Tokyo Stock Exchange plan to cut the number of employees, particularly in clerical sections during the current fiscal year, a survey said Saturday [4 June].

The poll, conducted by KYODO NEWS SERVICE on 100 companies which close the books for the business year ending March 31, says many corporations want to enhance corporate structure by adjusting employment amid the yen's surge and escalated price competition.

Of the companies polled, 21 firms said they will reduce the number of employees even though the economy will recover, while 46 said they will maintain their current stance of scaling down the workforce for the time being, the poll said.

Ricoh Co., a major office automation equipment producer, said in the poll that they will cut back their workforce because a sharp sales rise will be unlikely amid the current tendency for stable economic growth.

All Nippon Airway Co. said they want to boost competition ability by streamlining management arms.

During the 1993 business year, 48 companies increased the number of employees by 9,993, while 49 companies decreased 39,973 employees.

For the current fiscal year, however, only two firms said they will boost their workforce, while 52 companies plan to trim the number of workers, it said.

By sectors, such industries as steel, nonferrous metals, textiles, chemical, telecommunications and transportation will step up their workforce reduction plans, it said.

For the reasons of scaling down employment, a majority of companies want to strengthen competition in and outside Japan against falling product prices amid the yen's surge and the global economic slowdown.

They also said rising job operation efficiency needs less employees than ever before, the survey said.

Poll Says High Land Prices To Become Legend

OW0506102194 Tokyo KYODO in English 0808 GMT
5 Jun 94

[Text] Tokyo, June 5 KYODO—Escalating land prices seen in Japan's "bubble economy" in the late 1980s and early 1990s will become a legend, according to a government survey released Sunday [5 June].

The Prime Minister's Office sent questionnaires to 3,000 people aged 20 or over in late February, of which 2,153 responded.

Thirty-three percent of respondents believe land prices will continue to rise in the foreseeable future, compared with 75 percent who thought so in the previous poll in June 1988.

Japan's land prices have taken a downward turn after peaking in fall 1990, after the speculative bubble economy with its inflated land and stock prices burst.

The percentage of those who said they believe prices will head up in the coming years fell to 31 percent, sharply down from 75 percent in 1988.

The poll showed 66 percent believe present land price levels are still high, with those who live in Tokyo, Osaka and Nagoya or those who do not own housing particularly saying so.

Nearly 60 percent said they favor current falling land prices and hope they decline further, according to the poll.

The percentage of those who want to have their own land and homes stood at 84 percent, a 14 point gain from 69 percent in the previous survey, it said.

"People are beginning to buy their own houses again as a result of lower land prices recently," an analyst at the Prime Minister's Office said.

The poll also found 62 percent think housing property is a more attractive asset in the investment portfolio than savings, deposits and shares.

OECD Revise 1994 Economic Growth Forecast

OW0606155794 Tokyo KYODO in English 1504 GMT
6 Jun 94

[Embargoed by KYODO for release at 1700 GMT 6 June]

[Text] Paris, June 6 KYODO—The Organization for Economic Cooperation and Development (OECD) has revised upward its 1994 economic growth forecasts for Japan, the United States, and Germany, OECD officials said Monday.

The OECD predicted Japan's economy will grow 0.8 percent for 1994 from a year earlier, revised upward from a 0.5 percent growth forecast made last December. The figures, to be submitted to an OECD ministerial meeting to be held Tuesday and Wednesday in Paris, are in terms of gross domestic product (GDP), which measures the total value of goods and services produced within the country.

The OECD officials also said the U.S. economy will advance 4.0 percent, compared with 3.1 percent estimated previously, and the German economy was forecast to grow 1.8 percent, up from the earlier prediction of 0.8 percent.

The average projected growth figure for the 25 OECD member countries for 1994 was given as 2.6 percent, compared with the previously estimated 2.1 percent.

The officials attributed the upward revision to the advancing U.S. economy, boosted by growing domestic demand and steady exports, and improved exports from Germany and other European nations as well as the ongoing effect of Japan's economic pump-priming measures launched in February. They said, however, that Japan's economic growth will remain sluggish, in contrast with the recovering world economy. The Japanese Government has forecast a 2.4 percent growth for fiscal 1994 that started April 1.

For 1995 projections, Japan's economy is forecast to show a 2.7 percent year-on-year expansion, while the U.S. is projected to expand by 3.0 percent and Germany by 2.6 percent, the officials said.

Following are the real economic growth rates in percentage for 1993 and their forecasts for 1994, with the December 1993 projections in parentheses.

Real GDP Growth

| | 1993 | 1994 Forecast |
|---------|------|---------------|
| Japan | 0.1 | 0.8 (0.5) |
| U.S. | 3.0 | 4.0 (3.1) |
| Germany | -1.3 | 1.8 (0.8) |
| OECD | 1.2 | 2.6 (2.1) |

EPA Report Sees Some Bright Signs

*OW0606235794 Tokyo KYODO in English 2334 GMT
6 Jun 94*

[Text] Tokyo, June 7 KYODO—Some bright signs are visible in Japan's economy, although it is still generally sluggish, the Economic Planning Agency (EPA) said in a monthly report Tuesday [7 Jun].

An official at the agency said that the report put a "slight emphasis" on the bright aspects instead of on the negative factors.

"The main reason for this is that we've disregarded the view that industrial production is on a downtrend," he said, noting that the report now described industrial production as taking one step forward and one step back.

After rising 4.6 percent in March, industrial production posted a smaller-than-expected decline of 1.4 percent in April. It is expected to fall the same 1.4 percent in May and to turn positive in June by 1.3 percent.

The agency is still cautious about describing the economy as being on its way to recovery, however.

"I would not say the economy is getting better. In order to be able to say the economy is recovering, we need to see the support from capital investment," he said.

The report said that the employment situation is still harsh, particularly in the manufacturing sector. However, it termed the ratio of job openings to seekers as being flat, instead of on a downward trend as in its May report.

It also said that the unemployment rate is flat, instead of on the rise as it noted previously. The jobless rate improved from 2.9 percent in March to 2.8 percent in April.

Consumer spending was described as showing some signs of picking up—the same wording as in the previous report. Household spending fell 4.3 percent in March, the biggest decline since February 1981, but the agency official brushed the fall aside, saying that the figure tends to fluctuate on the purchases of automobiles.

Agency Chief on Economy Hitting Bottom

*OW0706022394 Tokyo KYODO in English 0213 GMT
7 Jun 94*

[Text] Tokyo, June 7 KYODO—Japan's economy appears to have hit bottom, Yoshio Terasawa, director general of the Economic Planning Agency (EPA), said Tuesday [7 Jun].

"It is too early to technically declare the economy has reached bottom but my impression is that it has," Terasawa told a press conference.

In view of recent economic indicators, the economy has stopped deteriorating, the EPA chief said.

The comments came after the announcement earlier in the day of the EPA's monthly economic report, which depicted a rosier picture of Japan's economy by placing an emphasis on plus factors although the term "sluggishness" is still used.

Terasawa said he has been encouraged by various economic indicators recently showing a pickup in Japan's economy, including April's industrial production.

But he said further evidence is needed for the EPA to declare officially that the recession is over.

As one dismal factor still shadowing the Japanese economy, Terasawa cited the worsening employment situation, especially companies' unwillingness to recruit college graduates.

The pessimism surrounding the labor market apparently has served as a drag on the overall sentiment among corporate managers, Terasawa said, voicing concern over its possible effects on results of the Bank of Japan's quarterly business confidence survey conducted in May and set for release Friday.

Terasawa said he expects massive public works projects and 6.2 trillion yen tax cuts to be implemented this year under the latest pump-priming package.

He said he is confident that the economy will be put on "a full-fledged recovery track" by the end of fiscal 1994.

The EPA's monthly economic report said, "the Japanese economy is showing bright signs in some sectors although it continues to be generally sluggish."

Terasawa said this is an upward revision from last month's description that "the economy continues to be generally sluggish although it is showing some bright signs."

Wholesale, Retail Sales Decline 4 Percent

*OW0706081894 Tokyo KYODO in English 0726 GMT
7 Jun 94*

[Text] Tokyo, June 7 KYODO—Wholesale and retail sales in Japan dropped an overall 4 percent in 1993 to 673.5 trillion yen, registering the first consecutive yearly decline since statistics of the kind began in 1953, the Ministry of International Trade and Industry (MITI) said Tuesday [7 June].

Consumers have become more price-conscious amid uncertain prospects for employment and income under the recession, MITI said in a commerce survey.

Sales in the wholesale sector declined 4.1 percent and those in the retail sector 3.8 percent, both suffering a drop for the second year in a row, MITI said.

The annual survey report, called Japan's Commerce, is compiled on the basis of various commerce-related indicators.

Record 11.93 Million Tourists Went Abroad in 1993

*OW0706013594 Tokyo KYODO in English 0104 GMT
7 Jun 94*

[Text] Tokyo, June 7 KYODO—The number of Japanese tourists going abroad in 1993 hit a record high of 11.93 million despite the recession-bound economy, the prime minister's office said Tuesday [7 Jun].

The figure represented an increase of 1 percentage point over 1992, the agency said in its annual white paper on tourism.

The agency attributed the overseas tourism boom to the spread of the five-day work week in Japan, and the yen's appreciation against other currencies that has bolstered the purchasing power of Japanese travelers.

Domestic tourism improved, too, with the number of those taking trips involving a stay of at least one night at hotels or inns rising 5 percent over the year before to 204 million, the agency said.

Japanese tourists at home and abroad, however, were more cost-conscious, with the average travel-related expenditures dropping by 5 percent to 148,000 yen per household, marking the first drop in four years.

By destination, travelers to the United States accounted for 30 percent of those taking trips abroad, followed by visitors to South Korea at 13 percent and to Hong Kong at 11 percent.

Men accounted for 57 percent of overseas travelers but the percentage of women in the total has grown steadily in recent years.

Women in their 20s accounted for 40 percent or 2.06 million of the total number of female overseas travelers, the agency said.

Men in their 40s accounted for 24 percent or 1.64 million of the total of male overseas travelers.

In sharp contrast with the trend among the Japanese, the number of foreign visitors to Japan in 1993 fell by 5 percent from the previous year to 3.41 million, the agency said.

An agency official blamed the decline on the stronger yen, which squeezed the budgets of foreign tourists.

The growing contrast left Japan's balance of accounts in international tourism with a deficit of 30.93 billion dollars in 1993.

Japanese travelers spent a total of 35.92 billion dollars for their overseas trips, including fares, while their foreign counterparts pared down their corresponding outlays to 4.99 billion dollars, the agency said.

North Korea

News Conference Held on IAEA Inspections

*AU0706120294 Vienna Oesterreich Eins Radio Network
in German 1000 GMT 7 Jun 94*

[Alfred Schwarz report]

[Excerpts] [Moderator] Today North Korea's Embassy Councilor Yun Ho-chin gave a press conference on the international negotiations concerning the controversy over North Korea's nuclear program. Alfred Schwarz attended the press conference for us.

[Schwarz] North Korea keeps insisting on its position: It has fulfilled all its duties toward the IAEA [International Atomic Energy Agency]. What the IAEA wants from North Korea exceeds the IAEA's powers. North Korea will not permit this. This represents interference in North Korea's internal affairs, it was said.

North Korea refers to a special status, which it allegedly has because of the latest agreements with the IAEA. The IAEA categorically rejects such a special status by North Korea. [passage omitted]

In the afternoon the IAEA General Council will meet in Vienna. It is not expected that the IAEA will resign itself to North Korea's attitude. [passage omitted]

'Special' Inspections Never Allowed

*OW0706141294 Tokyo KYODO in English 1356 GMT
7 Jun 94*

[Text] Vienna, June 7 KYODO—North Korea will "never" allow special international inspections of its two undeclared nuclear facilities suspected to be part of a secret nuclear arms development program, a North Korean diplomat said Tuesday [7 June].

Yun Ho-chin, North Korean delegate to the International Atomic Energy Agency (IAEA) in Vienna, criticized a recent IAEA report which said Pyongyang has made it impossible to determine whether plutonium has been diverted for nuclear weapons.

Yun, meeting reporters at the IAEA headquarters, said the nuclear watchdog can carry out satisfactory inspections by checking fuel rods removed from a 5-megawatt reactor in the Yongbyon nuclear complex 90 kilometers north of Pyongyang.

His remarks came at a time when an IAEA Board of Governors meeting was in session and likely to demand that North Korea accept inspections of the two sites as a possible alternative means of finding out if it has been developing nuclear arms.

Meanwhile, North Korea sent a letter to the IAEA on Monday, suggesting it may withdraw from the nuclear Nonproliferation Treaty if the U.N. agency continues putting pressure on Pyongyang over the issue.

North Korea had rejected the IAEA's demands to stop removing fuel rods from the reactor, which the nuclear watchdog said would spoil chances to determine if plutonium had been secretly taken from the rods to manufacture nuclear weapons.

'Special' Inspection Said 'Out of Question'

*SK0706152494 Pyongyang KCNA in English 1518
GMT 7 Jun 94*

[("We Will Determinedly Counter U.S. 'Special Inspection' and 'Sanctions', DPRK FM Spokesman"—KCNA headline]

[Text] Pyongyang, June 7 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea today answered a question put by KCNA as regards the recent statement of the U.S. Assistant Secretary of State, Gallucci, alleging that the DPRK has unilaterally forced core refueling, deliberately destroying the possibility of later measurement of fuel rods.

He said:

His statement is inconsistent with the fact.

There has been a series of contacts between us and the United States over the question of core refueling operation.

At the contact on May 28, we transferred to the U.S. side a document explaining our method of preserving the technical possibility of later measurement of fuel rods.

Expressing interest in our method, the U.S. side promised us to give an answer after sincerely studying it by mobilizing its home nuclear experts.

It even said that the third-stage talks would be possible, if the technical possibility were preserved, whether the pace of core refueling operation was fast, or not.

We have awaited an affirmative answer from the United States, encouraged by such attitude of it.

And we had the willingness to thrash out a compromise by coordinating the opinion that might be raised by them in the answer.

The U.S. side, however, far from giving an answer to us, unilaterally declared that the technical possibility for the measurement of fuel rods had been destroyed, timing to coincide with the submission of an unreasonable report by the secretariat of the International Atomic Energy Agency to the United Nations Security Council.

We are simply surprised by this.

After all, we have had no consultation with the United States on the question of the method of preserving the possibility for the measurement of fuel rods and have lost the last chance of meeting it halfway.

As can be seen in the above, it is not the DPRK but the United States that refused a compromise over the measurement of fuel rods and broke the foundation of the third-stage talks.

The United States is now coming out with the ill-boding assertion that since the possibility of the measurement of fuel rods was gone, "a special inspection" of the two military sites should be made.

Keeping pace with it, the agency is bringing forth the issue of "a special inspection" again.

So, it is obvious that the United States, ignoring our method, unilaterally declared that the possibility of the measurement of fuel rods was gone, motivated by the intention to invent a pretext of "a special inspection."

The present situation reminds us of march last year when we declared the withdrawal from the Nuclear Nonproliferation Treaty, rejecting "a special inspection."

The demand for "a special inspection" is a gross infringement upon our sovereignty and a graphic expression of the policy for stifling the DPRK.

The inspection of our military sites is out of question.

Our position for resolving the issue through dialogue and negotiation remains unchanged. But we will resolutely counter without the slightest compromise any attempt to encroach upon our sovereignty, crying for "a special inspection" and "sanctions." This is the unwavering will of all our people and Army.

U.S. Carnegie Associate Arrives

*SK0506085994 Pyongyang KCNA in English 0810
GMT 5 Jun 94*

[Text] Pyongyang, June 5 (KCNA)—Selig Harrison, senior associate of the "Carnegie Endowment for International Peace" in the United States, arrived here Saturday by air.

Meets With WPK Official

*SK0606110294 Pyongyang KCNA in English 1039
GMT 6 Jun 94*

[Text] Pyongyang, June 6 (KCNA)—Secretary of the Central Committee of the Workers' Party of Korea [WPK] Hwang Chang-yop today met and had a talk with Selig Harrison, senior associate of the Carnegie Endowment for International Peace in the United States.

Present on the occasion was Pak Kyong-son, a deputy department director of the Central Committee of the WPK.

Meets With Vice Foreign Minister

*SK0706060094 Pyongyang KCNA in English 0441
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—First Vice Foreign Minister Kang Sok-chu of the Democratic People's Republic of Korea Monday met and had a conversation with Selig Harrison, senior associate of the Carnegie Endowment for International Peace in the United States.

U.S. 4 Jun 'Air Strike Exercise' Reported

*SK0706060394 Pyongyang KCNA in English 0453
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—The U.S. imperialists staged a joint air strike exercise in the skies above Oeyon and Tokjok Islets and Wonju of South Korea on June 4 by massively mobilizing some 20 fighter-bombers, pursuit-assault planes and VTOL [vertical takeoff and landing] assault planes based in Japan proper and Kadena, Okinawa, and flying groups of the U.S. Air Force present in South Korea, according to military sources.

In separate action on the same day, formations of overseas-based pursuit-assault planes and fighter jets of the U.S. Air Force present in South Korea flew in a ground-attack support of puppet army units in a war exercise staged with Pochon, Chunchon and Kapyong areas as operational theatres.

Their ceaseless war rackets clearly show that the U.S. imperialists are rushing headlong along the road of military adventure against the northern half of Korea.

MINJU CHOSON Denounces Military Exercise

*SK0706112194 Pyongyang KCNA in English 1007
GMT 7 Jun 94*

[“Premeditated Act of Military Threat”—KCNA headline]

[Text] Pyongyang, June 7 (KCNA)—The U.S. imperialists and the South Korean puppets decided to stage a large-scale “Ulchi Focus Lens” joint military exercise across South Korea in coming August. A MINJU CHOSON analyst today brands this as part of their deliberate moves to push the situation of the Korean peninsula to a more grave phase.

The news analyst says:

The U.S. imperialists and the South Korean puppets said the “Ulchi Focus Lens” exercise is intended to fill up the “blank” up to the “Team Spirit” joint military exercise which was put off till November. But it is a baloney meant to justify their military actions.

The last few months alone witnessed “Hwarang” war exercise in which some 1.3 million troops were mobilized, a “joint tactical training for the first half of this year” involving the puppet ground, naval and air forces,

and a “large-scale combined landing exercise”. Now, “Rimpac” war exercises are being staged in the Pacific by the United States, Japan, South Korean puppets and others.

These facts show that the decision to stage the “Ulchi Focus Lens” joint military exercise is based on a war strategy designed to drive the situation on the Korean peninsula to a phase of war, not a “countermeasure”.

If the U.S. imperialists and the South Korean puppets defiantly ignite a war on the Korean peninsula, they will have to pay dearly for it.

South Said Under U.S.‘Political Domination’

*SK0706105994 Pyongyang KCNA in English 1037
GMT 7 Jun 94*

[“South Korea, a U.S. Colony”—KCNA headline]

[Text] Pyongyang, June 7 (KCNA)—The United States presents South Korea as an “independent state”, but it is a typical colony under the U.S. political domination, military control and economic and cultural yoke, declares NODONG SINMUN in a by-lined article today.

The article says:

South Korea is subordinate to the United States politically. The U.S. Embassy in Seoul indicates the orientation of internal and external policies to the puppet government, watches and controls their execution, holding the right of political domination over South Korea.

The flunkeyist nature of the South Korean puppet regime without independence today is well illustrated by the fact that it is running headlong along the road of confrontation and war as a shock brigade in the nuclear row of its master to destroy the fellow countrymen.

After the North-South agreement and the joint declaration on denuclearisation were adopted and effectuated, the United States forced the puppets to “shelve” their implementation, crying over the “nuclear issue” of the North. Yielding to the pressure, the puppets broke up all the dialogues and exchanges which had been held from the period of the preceding “regimes”, raising the “nuclear issue” of the North as a precondition for dialogue, and are now leaving the destiny of the nation to outside forces, entreating the master for “sanctions” against fellow countrymen.

The United States does all thing as it pleases from working out scenarios for framing up a “regime” and replacing it to choosing the “president” and changing him in South Korea.

It was the United States that made Kim Yong-sam, a political charlatan, “civilian president”.

South Korea is totally dependent on the United States militarily, too.

The U.S. Forces commander in South Korea, holding the prerogative of supreme and operational command of the puppet army and the U.S. Forces, uses them for a military lever against the DPRK and other countries in Asia.

South Korea is thoroughly subjugated to the U.S. imperialists economically. The U.S. imperialists hold a full ideological and cultural "control" on South Korea.

The U.S. economic domination over South Korea is maintained by "economic aid", various "treaties" and "agreements", predatory machines and investments of U.S. monopoly capital.

By the early 1980s the United States had robbed South Korea of 120 billion dollars, or ten times the total "aid" granted to it. Through the "agreement on the transfer of finance and properties", the "agreement on economic and technical aid" and other "economic agreements" signed with the South Korean puppets, the United States took over the right to freely possess properties interested and appendages including moveables and immovables in South Korea and seized unlimitted rights to infiltraoe U.S. monopoly capital into South Korea and engage in commerce, industry, banking and other profit-making activities. It takes a hand in the shaping of economic policy and drafting of the bugdet of the puppet government and supervises and controls their execution through the "U.S. International Development Agency" in South Korea.

Through the U.S. Embassy, the U.S. International Communication Agency, the U.S. "cultural centres" and "information centres" in South Korea and "agreements" on ideological and cultural relations concluded with the puppets, the United States controls education, the press, culture and art and religion of South Korea for ideological and cultural backing to the colonial enslavement policy toward South Korea.

It is a shame to the century and an intolerable stain on the era that there still remains a colony like South Korea on the earth when the 20th century is coming to an end.

ROK Monetary Reform Called 'Antipopular'

*SK0406110194 Pyongyang KCNA in English 1045
GMT 4 Jun 94*

[Text] Pyongyang, June 4 (KCNA)—The Central Committee of the South Korean National Democratic Front (Hanminjon) in its information published on May 31 branded the Kim Yong-sam group's planned "monetary reform" as an out-and-out anti-popular one, according to Radio Voice of National Salvation from Seoul.

The information says:

The Kim Yong-sam group is compelled to force the "monetary reform" because it has been driven to a blind

alley by the failure of its economic policy and political crisis. One of the chief aims sought by it in this "reform" is to bind working people to low wages and help raise the "international competitiveness" of big businesses at their sacrifices.

Most of the money to be redeemed through the "monetary reform" is not money of comprador businesses but of middle class and other people, and the money will find its way into the hands of comprador businesses, bringing benefits, not any losses, to them.

A buyer will suffer a bigger loss when he buys a thing with the newly issued money than with the former currency lower in value, and wages will automatically be frozen on a low scale and commodity prices again rise variably. It is only working people, after all, who will suffer from it.

The anti-popular "monetary reform" will drive the "civilian" regime now in the grip of a crisis into a hopeless pitfall of destruction.

KCNA: ROK Workers Demand Higher Pay

*SK0506085694 Pyongyang KCNA in English 0805
GMT 5 Jun 94*

[Text] Pyongyang, June 5 (KCNA)—About 2,000 workers affiliated with the subway trade union council held a rally in the Chongmyo Park in Seoul on June 2 and vowed to win in the wage-hike struggle for 1994, a Seoui-based radio reported.

Pointing to the instability of working conditions, the workers at the rally called for the enforcement of an 8-hour workday.

They rejected the wage hike draft agreed upon between the subsidized South Korean General Federation of Trade Unions (Nochong) and the general federation of managers councils and demanded a wage hike up to a level sufficient to ensure living.

ROK 'Military Provocations' Denounced

*SK0606110494 Pyongyang KCNA in English 1046
GMT 6 Jun 94*

[Text] Pyongyang, June 6 (KCNA)—The South Korean puppets have committed military provocations in an unbroken chain in the Demilitarized Zone (DMZ) along the Military Demarcation Line (MDL) in June, getting on our nerves, according to military sources.

On June 3, they openly brought recoilless guns in the DMZ in front of Komsa-ri, Chorwon County, in the central sector of the front, and two mortars in the DMZ in front of Maebong Peak in Ipo-ri, Kumgang County, in the Eastern sector of the front and installed them toward the North side and conducted fire service drills.

More than 300 fully armed bandits of the puppet army who scrawled into the DMZ of the central sector of the front on June 1 and 2 maliciously got on the nerves of

our People's Army soldiers, taking a sighting posture against the North side all at once.

The South Korean puppets illegally brought over 2,500 armed bandits and 1,400 odd vehicles of different types in the DMZ from June 1 to 4 for war exercises, search operations and excavation of positions.

Such military provocations and criminal acts were pre-meditated acts to incite the North-South confrontation and deliberately aggravate the situation in the DMZ.

We cannot overlook such hostile acts of the South Korean puppets, still less because they timed to coincide with the bellicose outbursts of the U.S. military brasshats and traitors against the northern half of Korea.

The South Korean puppets must stop acting rashly, deeply mindful of the grave consequences to be entailed by their military provocations and violations in the DMZ of the MDL along which the armed forces of the two sides stand in acute confrontation.

Socialist Youth League Calls for Conference
*SK0706051094 Pyongyang KCNA in English 0435
GMT 7 Jun 94*

[“North-South Youth and Student Contact Called For”—KCNA headline]

[Text] Pyongyang, June 7 (KCNA)—Choe Yong-hae, chairman of the Central Committee [C.C.] of the League of Socialist Working Youth of Korea [LSWYK], released a statement Monday expressing the hope that the C.C., the LSWYK and patriotic youth and student organizations of South Korea will meet in Pyongyang or Seoul or Panmunjom at an early date in whatever form and seek a way of a common struggle for the convocation of a national conference.

Stressing that the young people must take the van in arranging a national conference which would promote national reconciliation and unity, he said: “It is time we courageous young people took the van in paving the way for the national conference through a joint solidarity struggle, transcending differences in ideology, idea, place of residence and affiliation.”

“If a contact between youth and student organizations in the North and the South were made, it would be possible to discuss wide-range issues of common concern including the convocation of a national conference and a August 15 Grand Reunification Festival of students proposed by the South Korean federation of general student councils at its second-term inaugural ceremony some time ago,” he added.

IAEA Impartiality Regarding Japan Questioned

*SK0806050494 Pyongyang KCNA in English 0454
GMT 8 Jun 94*

[“Japan’s Dangerous Nuclear Activities Must Be Called in Question”—KCNA headline]

[Text] Pyongyang, June 8 (KCNA)—The International Atomic Energy Agency [IAEA] in a recent communique issued over the discovery of 70 kg of unaccounted-for plutonium at the Tokaimura nuclear fuel-making plant reportedly said it did not call it in question, claiming that the nuclear facilities of Japan “are under a complete inspection.”

This is an extremely unreasonable act of conniving at Japan’s moves to become a nuclear power and encouraging them, which fully reveals the double-standard policy and partiality of the IAEA in the solution of the nuclear issue.

Who believes the claim of the agency that the nuclear facilities of Japan “are under complete inspection”?

As much as 70 kg of plutonium has been accumulated and concealed unreported in five years at a Japan’s plant where the agency’s inspectors teams are said to be permanently stationed. This fact itself clearly proves that there is a problem in the inspection by the agency.

Judging from the fact that many nuclear facilities of Japan have been in operation for scores of years, it is crystal clear that the recently discovered plutonium is a tiny part of the whole amount of hidden plutonium.

World opinion is demanding a probe into the truth behind the case out of the apprehension that a huge amount of plutonium might be concealed in Japan and it probably has been diverted to the production of nuclear weapons.

Nevertheless, the agency stated that it did not call the case of concealment in question. It is hardly understandable and it gives rise to greater doubt about the inspection by the agency.

The unjustifiable attitude cannot be regarded otherwise than a criminal act of defending the nuclear criminal who has been caught red-handed while wantonly violating the publicly accepted international law and, moreover, encouraging the nuclear armament of Japan which is posing a grave threat to peace and security on the Korean peninsula and the rest of Asia.

The double-standard policy and partiality of the agency which calls in question the declared minimum amount of plutonium of the DPRK extracted for the experimental purpose, magnifying it, while conniving at the huge amount of unaccounted-for plutonium of Japan the diversion of which is highly probable, only undermine confidence of the international community in the agency.

The agency must call in question the dangerous nuclear activities of Japan and strictly observe the principle of impartiality in its activities in compliance with the unbiased public opinion.

Japanese Police 'Crackdown' Criticized

*SK0706060294 Pyongyang KCNA in English 0447
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—The Japanese police committed another fascist brutality through a wholesale crackdown on the Kyoto Prefectural headquarters of the General Association of Korean Residents in Japan (Chongnyon) in broad daylight on Monday morning amidst the ever more intensifying hostile acts of the Japanese authorities against Chongnyon, Tokyo-based Korean News Service was quoted as saying.

They mobilised in an attack on the headquarters more than 250 police on the false charge of the violation of the "land law", who also searched 27 places including houses of Chongnyon officials under the headquarters.

This is another unpardonable fascist suppression by the Japanese police following its crackdown upon the Osaka Prefectural organisation of Chongnyon.

The Japanese authorities are these days becoming all the more malicious in their attempt to stifle the DPRK through their conspiracy and tieup with the U.S. imperialists over the fictitious "nuclear issue" of the DPRK, while intensifying suppression of Chongnyon.

The Japanese authorities' acts of incriminating and suppressing the righteous activities of Chongnyon, a dignified organisation of overseas citizens of the DPRK, are an expression of their undisguised hostile policy towards the DPRK and Chongnyon and a grave challenge to them.

The Chongnyon organisation and Koreans in Japan are turning out in a massive protest against the outrageous suppression by the Japanese police.

Japanese Groups Denounce Anti-DPRK Campaign

*SK0406150794 Pyongyang KCNA in English 1500
GMT 4 Jun 94*

[Text] Tokyo, June 1 [date as received] (KNS-KCNA)—Organisations of Japan denounced the authorities' anti-DPRK and anti-Chongnyon [General Association of Korean Residents in Japan] campaign.

The 16th general meeting of the Miyazaki prefectural committee for supporting the independent and peaceful reunification of Korea adopted a letter of request to the prime minister of Japan. The request said that to make a fuss over the "nuclear issue" of the DPRK while covering up the nuclear suspicion against Japan is obviously part of the hostile policy toward Korea. It strongly demanded that the Japanese Government pursue a

policy of a peaceful solution to the nuclear issue of the Korean peninsula and improvement of relations between Japan and the DPRK and immediately stop controlling and suppressing Chongnyon and Korean residents in Japan.

The Ibaraki prefectoral headquarters of the all-Japan prefectoral and municipal workers' union in a statement adopted at the 11th meeting of its executive committee on May 20 denounced the search of the Osaka organisation of the General Association of Korean Residents in Japan (Chongnyon) by Japanese police under the pretext of "interference in the execution of duties" as an unreasonable political repression and demanded that the authorities immediately stop suppressing Chongnyon and rectify their hostile policy toward Korea.

Statement on Japan Now 'Official' UN Document

*SK0506085294 Pyongyang KCNA in English 0803
GMT 5 Jun 94*

[Text] Pyongyang, June 5 (KCNA)—A statement of a spokesman for the Foreign Ministry of the Democratic People's Republic of Korea dated May 19 regarding the recent exposure of the concealment of a large quantity of plutonium at a nuclear fuel plant of Japan was distributed on May 25 as official document of the UN General Assembly No. A/49/165 and official document of the UN Security Council No. S/1994/616.

Japan Rebuked for 'Comfort Women' 'Fund'

*SK0706060494 Pyongyang KCNA in English 0459
GMT 7 Jun 94*

[“Past Crimes Cannot Be Hushed Up”—KCNA headline]

[Text] Pyongyang, June 7 (KCNA)—The Japanese Government recently "offered" to found a "fund" different from compensations and solve the criminal case of Japan in drafting "comfort women for the army" through it.

Commenting on this, a NODONG SINMUN analyst today says:

This shows that the Japanese Government is intending to avoid a full-scale inquiry into the case and adequate compensations for it and to hush up the heinous crimes of the past in a crafty manner.

The crimes committed in drafting "comfort women", a grave human rights abuse, are not a matter which can be solved merely by establishing a "fund".

When the former "comfort women" demanded compensations, they did not mean a few amount of money. Their demand is that the Japanese Government should make a full investigation into the Japanese imperialists' brutalities in the past and make a sincere apology for them and make adequate compensations as a material token of their will not to repeat such past. Whatever amount of

money the Japanese Government may pay them, it can never wipe off the disgrace and heal the wounds of their past sufferings.

Nevertheless, the Japanese Government authorities are going to put a show of solving the criminal case through the establishment of a "fund". This only reveals their brazen-faced nature, and it is an insult to the victimized "comfort women" and survivors.

The Japanese Government can never evade a judgement by history. The Japanese authorities must know this clearly and behave properly.

Trade Union Delegation Departs for China

SK0606110594 Pyongyang KCNA in English 1040
GMT 6 Jun 94

[Text] Pyongyang, June 6 (KCNA)—A Korean Trade Union delegation led by Chu Song-il, chairman of the Central Committee [C.C.] of the General Federation of Trade Unions of Korea [GFTUK], left here today for a visit to China.

It was seen off at Pyongyang railway station by vice-chairman of the C.C., the GFTUK Kim Kuk-sam and Chinese ambassador to Korea Qiao Zonghuai.

Delegation's Visit to Laos Reported

SK0506093994 Pyongyang KCNA in English 0817
GMT 5 Jun 94

[Text] Pyongyang, June 5 (KCNA)—Talks between the Government delegations of the Democratic People's Republic of Korea and the Lao People's Democratic Republic took place in Vientiane on June 3.

Present at the talks on the Korean side were members of the DPRK Government delegation headed by Premier of the Administration Council Kang Song-san and the DPRK ambassador to Laos and on the opposite side were Prime Minister of the Laotian Government Kamthai Siphandon, Deputy Prime Minister Khamphoui Keoboualapha, Minister of Foreign Affairs Somsavat Lengsavat, officials concerned and Laotian ambassador to Korea.

The Laotian prime minister, at the talks, expressed thanks for the concern and position of the party and the government of Korea for the development of relations between the two countries and spoke highly of the achievements made by the Korean people in socialist construction.

He actively supported the policy of the great leader Comrade Kim Il-song for national reunification.

The talks proceeded in a friendly atmosphere.

Meets With Laotian President

SK0606050294 Pyongyang KCNA in English 0408
GMT 6 Jun 94

[Text] Pyongyang, June 6 (KCNA)—Laotian President Nouhak Phoumsavan met a government delegation of the DPRK led by Premier of the Administration Council Kang Song-san on June 3.

On the occasion the premier of the Administration Council conveyed a personal letter of President Kim Il-song to President Nouhak Phoumsavan.

President Nouhak Phoumsavan said:

"I highly estimate the achievements made by the Korean people in socialist construction under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

"Today the Korean people are firmly united around the party Central Committee headed by the great Comrade Kim Il-song. We speak highly of this and are pleased with this.

"The achievements of the Korean people greatly encourage the world progressive people and particularly our people who are striving to attain the common aim and idea.

"We will as ever fully support the endeavours of the Korean people for socialist construction and their efforts to achieve national reunification in accordance with the policy of national reunification advanced by the great leader Comrade Kim Il-song.

"Just are Korea's proposals for the denuclearisation of the Korean peninsula and a peaceful solution to the Korean question.

"Especially, the stand maintained by Korea in the solution of the nuclear issue is a just stand which makes a great contribution to the efforts for peace and security in the Asia-Pacific region. The stand, therefore, enjoys full support from the world progressive people, not to speak of our people.

"We believe that the friendly relations between Laos and Korea, the relations of economic cooperation in particular, will be expanded and developed further."

Delegation Feted by Lao Government

SK0706015894 Pyongyang Korean Central
Broadcasting Network in Korean 2300 GMT 5 Jun 94

[Text] On 3 June, the Lao Government arranged a banquet to welcome the delegation of the DPRK Government led by Comrade Kang Song-san, premier of the State Administration Council, which is on an official visit to Laos.

On hand at the banquet, were Kamthai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party [LPRP] and prime minister of the

government; Khamphoui Keoboualapha, member of Politburo of the Central Committee of the LPRP, deputy prime minister of the government, and chairman of the Committee of Planning and Cooperation; Foreign Minister Somsavat Lensavat; a minister at the Prime Minister's Office; a vice foreign minister; the Lao ambassador to our country; responsible functionaries of the party, the government, and the central organizations; and other responsible functionaries in relevant sectors. The members of our country's government delegation and our country's ambassador to Laos were invited.

The prime minister of our country's State Administration Council and the Lao Government prime minister delivered speeches at the banquet.

In his speech, Lao Government prime minister touched upon the deep impressions he received when he visited our country last year. He stressed as follows: Under the banner of chuche ideology, the Korean people have turned their backward country into a socialist country with advanced industry, agriculture, science, and technology in a short period by displaying the spirit of self-reliance, overcoming all kinds of difficulties. This brilliant success is the result of the wise and energetic leadership of the Workers Party of Korea headed by great Comrade Kim Il-song of the Korean people. The Lao people warmly congratulate their brotherly Korean people on their success. We express support and solidarity to the Korean people's struggle for the safeguarding and building of their socialist fatherland, for the peaceful reunification of the country, and for the peace and denuclearization of the Korean peninsula.

In conclusion, he proposed a toast to the good health and long life of the great leader Comrade Kim Il-song and to the good health and long life of the dear leader Comrade Kim Chong-il.

The Lao Central Art Troupe gave a performance at the end of the banquet.

Economic, Technology Accord Signed

*SK0706060194 Pyongyang KCNA in English 0454
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—An intergovernmental general agreement on economic and scientific-technological cooperation between the DPRK and the Lao People's Democratic Republic was signed in Vientiane on June 6.

The agreement was signed on the Korean side by Vice-Premier of the Administration Council Kong Chin-tae and, on the opposite side, by Vice-Premier of the Lao Government Khamphoui Keoboualapha.

Gift Presented for Kim Il-song

*SK0706060794 Pyongyang KCNA in English 0449
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee [C.C.]

of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received a gift from Comrade Khamtay Siphandone, chairman of the C.C., Lao People's Revolutionary Party and premier of the Government of Laos.

The gift was handed on June 5 to Vice-minister of Foreign Affairs Cho Kyu-il on a visit to Laos as a member of the DPRK Government delegation by the chief of protocol of the premier's office of Laos upon authorization.

Gift Presented for Kim Chong-il

*SK0706061294 Pyongyang KCNA in English 0450
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from Comrade Khamtay Siphandone, chairman of Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic.

The gift was handed on June 5 to Vice-minister of Foreign Affairs Cho Kyu-il on a visit to Laos as a member of the DPRK Government delegation by the chief of protocol of the premier's office of Laos upon authorization.

Delegation Returns From Laos

*SK0706055794 Pyongyang KCNA in English 0443
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—The government delegation of the Democratic People's Republic of Korea led by Premier of the Administration Council Kang Song-san returned home on Monday after paying an official goodwill visit to the Lao People's Democratic Republic [LPDR] at the invitation of Khamtay Siphandone, premier of the Government of the LPDR.

It was met at the airport by Vice Premiers of the Administration Council Hong Song-nam and Kim Yun-hyok, Vice Foreign Minister Pak Myong-ku and Vice-chairman of the State External Economic Affairs Commission Kim Chu-song.

Kim Yong-nam Meets Nonaligned Ministers

SK0706023894

[Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean (PCB) carries brief reports on various meetings held by DPRK Vice Premier and Foreign Minister Kim Yong-nam during his visit in Cairo, Egypt, for the non-aligned countries' meeting of foreign ministers.

At 1300 GMT on 2 June, PCB carries a brief report on Egyptian President Muhammad Husni Mubarak receiving, on 31 May, the DPRK delegation led by Foreign Minister Kim Yong-nam. At the talks, Kim Yong-nam conveyed greetings from DPRK President

Kim Il-song and the dear leader Comrade Kim Chong-il to President Mubarak, who expressed thanks for this, and asked the head of the delegation to convey his "sincere" [chungsimuro toenun] greetings to Kim Il-song and Kim Chong-il. The report says that the talks proceeded "in an amicable atmosphere," and that the Egyptian presidential press secretary and the DPRK Ambassador to Egypt attended the talks.

PCB also carries a brief report that DPRK Vice Premier and Foreign Minister Kim Yong-nam met Malaysian Foreign Minister bin Haji Ahmad Badawi Abdullah on 31 May. According to the report, Kim Yong-nam conveyed greetings from Kim Il-song and Kim Chong-il to Malaysian Prime Minister bin Mohamed Mahathir, and the Malaysian Foreign Minister, expressing "deep thanks" for this, in turn asked Kim Yong-nam to convey greetings from Prime Minister bin Mohamed Mahathir. Pointing out that Malaysia "treasures" relations with DPRK, the Malaysian Foreign Minister expressed "satisfaction with relations between the two countries that are developing in a good manner," and hoped for "further expansion and development of such relations."

PCB also mentions that Foreign Minister Kim Yong-nam met and held talks that day with the foreign ministers of Vietnam, Cambodia and Uganda in "an amicable atmosphere."

At 2200 GMT on 4 June, PCB carries a brief report on Kim Yong-nam meeting with foreign ministers of Syria, Libya, and Zimbabwe in Egypt on 1 June, during the meeting of nonaligned countries' foreign ministers. The report notes that Foreign Minister Kim Yong-nam conveyed greetings from Kim Il-song and Kim Chong-il to the Syrian president, to the leader of the Great 1 September Revolution of the Socialist People's Libyan Arab Jamahiriya, and to the Zimbabwean president. Expressing "deep thanks" for this, the foreign ministers asked the DPRK Foreign Minister to convey greetings from the presidents of their countries and head of state to Kim Il-song and Kim Chong-il.

The report adds that earlier on 31 May, Kim Yong-nam met with the Minister of Foreign Affairs, Cooperation, and Francophone Affairs of the Gabonese Republic, as well as the foreign ministers of Brunei, Singapore, Kuwait, and the Philippines, and the general secretary of Arab League.

Foreign Media Carry Kim Il-song's Answers

SK0706051194 Pyongyang KCNA in English 0440
GMT 7 Jun 94

[Text] Pyongyang, June 7 (KCNA)—The great leader President Kim Il-song's work "answers to questions raised by the general director of the Latin America News Agency 'PRENSA LATINA'" was carried by foreign newspapers.

It was carried by the Russian paper PATRIOT under the title "unanimous desire of the whole nation".

It was also reported by the Russian paper PRAVDA, the Laotian paper PASASON, the Indonesian paper INDO-NEZIAN OBSERVER, the Lebanese paper AL SHARQ, the Tanzanian paper UHURU, the Senegalese paper LE TEMOIN, the Romanian paper RIPOSTA and magazine EUROPA, the Mexican paper LA AFICION, the Madagascan paper IMONGO VAOVAO, the Thai paper BAN MUANG, the Cambodian AKP News Agency, the State Radio of Guyana and the TV of Mongolia.

President Kim Il-song in the work declared that since the nuclear issue on the Korean peninsula has been raised by the introduction of nuclear weapons by the United States into South Korea and it has emanated from the United States' hostile policy towards the DPRK, it must be resolved through dialogues between the DPRK and the United States.

Noting that it is the consistent stand of the DPRK to resolve the nuclear issue on the Korean peninsula through dialogues, President Kim Il-song said pressure can never be a solution to the problem and it is a miscalculation to think that the United States can bring the Korean people to their knees by means of pressure and force.

President Kim Il-song's Work Reported

SK0606051394 Pyongyang KCNA in English 0446
GMT 6 Jun 94

[Text] Pyongyang, June 6 (KCNA)—The great leader President Kim Il-song's famous work "Answers to Questions Raised by the General Director of the Latin America News Agency 'PRENSA LATINA'" was reported by foreign news media.

It was carried by the Egyptian papers AL AKHBAR and AL MASSA under the titles "President Kim Il-song Declares Korea Has No Capacity To Develop Nuclear Weapons" and "President Kim Il-song Declares Korea Will Be a Neutral State After the Founding of a Confederacy.

It was also reported by the Romanian ROMPRES, central radio and TV and papers DIMINEATA, CURIERUL NATIONAL, ROMANIA LIBERA, NATIUNEA and CRONICA, the Pakistani paper AMAN and news agency PPI, the Madagascan paper JOURNAL DE MADAGASCAR, the Ugandan paper THE NEW VISION, the Peruvian paper LA REPUBLICA and the Burundian paper LE RENOUVEAU.

Kim Il-song's Reminiscences Carried by Media

SK0606063494 Pyongyang KCNA in English 0530
GMT 6 Jun 94

[Text] Pyongyang, June 6 (KCNA)—The great leader President Kim Il-song's reminiscences "With the Century" was carried by foreign media.

The Russian paper VETERAN No. 16 carried "A Spring of Trials" from Vol. 2 of part 1 the anti-Japanese

revolution of the reminiscences, the Nepalese paper MAJADUR KISSAN and the Chinese magazine the CALAXY No. 5 "The Home Base" and "The Battle of the Tongning County Town" from Vol. 3 of part 1 the anti-Japanese revolution.

The Tunisian paper AL OUAHEDA printed a photograph of President Kim Il-song and introduced the composition and content of Vol. 4 of part 1 the anti-Japanese revolution.

Kim Il-song Sends Greetings to King of Sweden

*SK0506094994 Pyongyang KCNA in English 0833
GMT 5 Jun 94*

[Text] Pyongyang, June 5 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to King Carl Gustaf on the national day of the Kingdom of Sweden.

President Kim Il-song in the message congratulated his majesty and the Swedish people, and wished prosperity of the kingdom.

MINJU CHOSON Marks National Day of Sweden

*SK0706112394 Pyongyang KCNA in English 1026
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—MINJU CHOSON today sends congratulations and greetings to the Swedish people on the occasion of the national day of the Kingdom of Sweden.

Noting that the Swedish people have striven for the development and prosperity of the country in the past, MINJU CHOSON in a signed article says:

Korea and Sweden are geographically far away from each other, but have the bonds of friendship. The friendly relations have grown stronger and developed since the diplomatic relations between the two countries were established on April 7, 1973.

The Korean people wish the Swedish people greater success in their endeavors for the independent development and prosperity of the country.

Kim Chong-il Thanks Returning People

*SK0706050894 Pyongyang KCNA in English 0432
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—Comrade Kim Chong-il, Supreme Commander of the Korean People's Army, sent thanks to the Foreign Trade Bank, the Yongjin Cooperative Farm, Kangnam County, Pyongyang, the Pyongyang Store, those who are living in central district, Pyongyang, after coming back to the homeland from Japan, and other units, officials and working people that had set examples in displaying the traditional virtues of army-people unity.

To assist the People's Army has become a habit of the whole society in the Democratic People's Republic of Korea, through which the blood ties between the People's Army and the people have been made closer.

Council Premier Sends Greetings to Morocco

*SK0606103394 Pyongyang KCNA in English 1001
GMT 6 Jun 94*

[Text] Pyongyang, June 6 (KCNA)—Kang Song-san, premier of the Administration Council, sent a message of greetings to Abdel Latif Filali on his appointment as prime minister of the Kingdom of Morocco.

Believing that the friendly and cooperative relations between the two countries will grow stronger and develop in the interests of the two peoples, the message wishes him success in his work.

Envoy Bids Farewell to Guyanese President

*SK0706012994 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 2 Jan 94*

[Text] Ambassador Yim Ki-tae of our country paid a farewell call on Guyanese President Cheddi Jagan on 27 May. At the meeting the ambassador conveyed the greetings of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to President Cheddi Jagan.

The president expressed deep thanks to this and asked the ambassador to convey his sincere greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

The president said that he hoped that friendly relations between Guyana and Korea would be further strengthened and developed in all fields based on the principles of the nonaligned movement.

He stressed that Korea's reunification should be achieved at an early date in conformity with the desire of the Korean nation.

Korean Children's Union Congress Opens

*SK0706004694 Pyongyang KCNA in English 1531
GMT 6 Jun 94*

[Text] Pyongyang, June 6 (KCNA)—The fifth congress of the Korean Children's Union [KCU] opened with a large attendance at the 6,000-seat theatre of the February 8 House of Culture here today on the occasion of the 48th anniversary of the formation of KCU by the great leader President Kim Il-song.

The meeting is discussing tasks for firmly preparing the Children's Union members as true young guards of the Workers' Party of Korea [WPK].

A portrait of President Kim Il-song is placed on the platform of the congress hall.

Participating in the congress as delegates are members of the Children's Union who have distinguished themselves in study and organizational life.

A delegation of the union of Korean children in Japan is also present at the congress.

Attending the congress today were Pak Song-chol, Politburo member of the Central Committee of the Workers' Party of Korea and vice-president, Kye Ung-tae, Politburo member and secretary of the C.C. [Central Committee], WPK, and other senior party and government cadres and officials concerned.

At the congress, letters and red neckerchiefs carrying the loyal determination of the three million KCU members to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il were conveyed to the platform by delegates from all provinces (municipalities).

A letter of congratulations sent by President Kim Il-song to the participants in the congress was read out by Kye Ung-tae there.

Items on the agenda "1. On tasks facing the Korean Children's Union in firmly preparing the KCU members as true young guards of the Workers' Party of Korea" and "2. On the amendment to the rules of the Korean Children's Union" were endorsed at the congress.

A report on the first agenda item was delivered by Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea.

The reporter said the letter of congratulations sent by the great leader Generalissimo Kim Il-song to the participants in the congress is a bright torch more brightly illuminating the road ahead of the Children's Union members advancing toward a hopeful future under the leadership of the party and a great programme of the chuche-inspired children's movement.

He reviewed the proud path of struggle covered by the Korean children's movement.

He said:

Generalissimo Kim Il-song who set out on the road of revolution in his early years formed the Saenal Juvenile Union, the first communistic children's revolutionary organization in Korea, thus giving glorious origin to the Korean children's movement.

The great leader closely rallied a great many children under the flag of the anti-Japanese children's corps and brought them up into child revolutionaries during the glorious period of the anti-Japanese revolutionary struggle, and in the post-liberation days formed the Korean Children's Union and set forth for the KCU the militant slogan "Let Us Always Study and Prepare Ourselves for a New Democratic Korea!" In the postwar period, he changed the slogan into "Let Us Always Prepare Ourselves To Be the Reserve Force for the

Building of Communism!" to meet the new requirements of socialist construction.

Now, the Korean communist children's movement and the work of the KCU are further developing unremittingly under the correct guidance of respected General Kim Chong-il.

General Kim Chong-il expounded the idea of continuously carrying on the vigorous movement for learning from the glorious childhood and youth of the great leader as the keypoint of the work of the KCU. He has seen to it that all the work of the KCU is aimed at rearing all its members to be reliable heirs to the revolutionary cause of chuche, unfailingly loyal to the leader.

It is the greatest achievement in the work of the KCU that it has closely united its members in the same thought and purpose around Generalissimo Kim Il-song and General Kim Chong-il by rearing them to be true sons and daughters of the party who have a good knowledge of their leader and always follow him from their early years.

Dear leader Comrade Kim Chong-il said:

"The organizations of the Korean children's union must set it as their most important task to rear all its members to be sons and daughters unfailingly loyal to the leader and unite them closely around the party."

The KCU organizations have vigorously carried on the movement for learning from the glorious childhood and youth of Generalissimo Kim Il-song and General Kim Chong-il among the union members and organized in various forms and ways education in the principles of the chuche idea and the revolutionary traditions, class education and education in socialist patriotism and communist morality.

The hearts of the members of the KCU are now filled with pure loyalty to trust and follow only Generalissimo Kim Il-song and General Kim Chong-il like sunflowers.

Strenuous efforts have been made to prepare the members of the KCU to be future builders of socialism with ample knowledge, high morality and strong body, with the result that there have appeared throughout the country more than 1,800 model classes that won "the July 15 honor prize," more than 2,400 winners of "the 'our classroom' literary prize," talented little artistes and promising sportsmen.

Through brisk socio-political activities and do-good-things movement, the members of the KCU have created over 1,127,000 hectares of "the Children's Union forest in recent years."

Today the KCU has grown to be a powerful organization of children the 3 million members of which move as one, united closely around respected General Kim Chong-il, and fulfil the tasks set forth by the party in time with strong spirit of organization and discipline.

Commendation Given to Participants

*SK0506085194 Pyongyang KCNA in English 0802
GMT 5 Jun 94*

[Text] Pyongyang, June 5 (KCNA)—A meeting for awarding the state commendation to participants in the 5th conference of the Korean Children's Union was held here Saturday.

Attending the meeting were Politburo member of the C.C. [Central Committee], the Workers' Party of Korea [WPK] and Vice-president Pak Song-chol, secretary of the C.C., the WPK Kim Chung-nin, officials concerned and the participants in the congress.

Letters of commendation of the great leader President Kim Il-song were awarded to two participants in the congress, letters of commendation of the dear leader Comrade Kim Chong-il to three participants, the "Kim Il-song youth honour prize" to 24 officials of the League of Socialist Working Youth of Korea and instructors of the Children's Union and the "Kim Il-song children honour prize" to 201 school children, who are faithful to their revolutionary duties and distinguished themselves in educating school children and preparing themselves to be reserves of communist construction equipped with knowledge, good moral character and good health.

The order of national flag first class and other orders and medals were awarded to 401 participants in the congress who have contributed to training the rising generation to be reliable reserves of communist construction.

Speeches were made at the meeting.

Kim Il-song Sends Message

*SK0606052494 Pyongyang KCNA in English 0501
GMT 6 Jun 94*

[Text] Pyongyang, June 6 (KCNA)—The great leader President Kim Il-song today sent a congratulatory message to the participants in the fifth congress of the Korean Children's Union [KCU].

In the message President Kim Il-song extended warm congratulations to those who are attending the congress and all the other members of the Children's Union throughout the country, and said the fifth congress of the Korean Children's Union will be a proud congress which is of great significance in widely demonstrating the reliable features of our schoolchildren growing up happily and sturdily in the embrace of the party and in preparing the Children's Union members firmly as successors to the revolution.

President Kim Il-song further said:

The Korean Children's Union, which has inherited the brilliant traditions of the anti-Japanese children's corps, has traversed a glorious path of struggle.

Today our Children's Union members are receiving excellent education and growing up as reliable reserves

for the revolution under the care of the party. With great ambitions and hopes, they study hard, lead a sound life and are all well-disciplined and cheerful. This is a great pride and immeasurable pleasure of our party and our people.

The Children's Union members are successors to our revolution and the masters of the future. They have the honourable task of taking over and continuing the revolution under the revolutionary banner and accomplishing the revolutionary cause of chuche.

In order to succeed to the revolution, they must prepare themselves fully as young guards who are unfailingly loyal to our party.

Our party regards children as the most precious treasures of the country and spares nothing for them. The members of our Children's Union are happy children who were born in the era of the glorious Workers' Party, learn to their hearts' content, and grow up as happily as can be in the world.

They should always trust and follow only our party, taking an immense pride in that it is the best party and its embrace is the best embrace; they should study and live as the party teaches them.

They must inherit the revolutionary spirit of Paektu by studying the revolutionary traditions in good faith, and should follow the example of loyalty of the young revolutionaries who fought self-sacrificingly for the country and the revolution.

They must become young patriots who love the country and the people, hate imperialism and class enemies and devote their all to defending and bringing honour to our socialist country.

They must prepare themselves fully as well-qualified builders of socialism who are knowledgeable, morally impeccable and physically strong.

Study is the first and foremost revolutionary task of the members of the Children's Union. They should study hard with a high ambition and ideal to become able workers who will shoulder the future of the country. Under the motto "Let Us Study for Korea", they must study hard in their school days, read many good books, learn a useful, working knowledge and give full play to their talent and aptitude.

The Children's Union members must endeavour to build up a lofty moral character. They must always love their comrades, help and lead each other forward and devote themselves to the organisation and the collective. They must acquire a good manner of speech, behave themselves properly, respect their teachers and elders and be model in observing social order and public morality.

They must harden themselves physically. Only when they are strong, can they study hard and contribute to socialist construction and national defence. They must take an active part in various sports activities regularly

to harden themselves and cultivate a strong fighting spirit, courage and boldness.

They must engage widely in socio-political activities and the good-conduct movement and they must develop the spirit of organisation and discipline through their organisational life and unfailingly live up to the oath they have made before the flag of the Children's Union.

President Kim Il-song in the message stressed:

You are the future and hope of our country. Only when you grow up healthy and strong can our country be prosperous and the future of the revolution be bright.

I firmly believe that all the Children's Union members will grow up into the sons and daughters boundlessly loyal to our party and fulfil the duties as successors to our revolution with credit.

Party Officials Attend Party

SK0706111294 Pyongyang KCNA in English 1003
GMT 7 Jun 94

[Text] Pyongyang, June 7 (KCNA)—A children's "Tansimjul" dancing party was held at Kim Il-song Square Monday with the attendance of some 10,000 members of the Korean Children's Union [KCU] in the capital city to celebrate the fifth KCU Congress.

Watching it on the platform were Pak Song-chol, Politburo member of the C.C. [Central Committee], the Workers' Party of Korea [WPK] and Vice-president; Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee; Kim Chung-nin, secretary of the C.C., the WPK; and Chang Chol, vice-premier of the Administration Council.

Delegates to the congress, leading officials of the League of Socialist Working Youth and the Children's Union, teachers and working people were present at the party.

Also present were members of school children's delegations and visiting groups of the General Association of Korean Residents in Japan staying in the socialist homeland.

Foreign guests staying in Korea were invited.

When "Song of Tansim (singleheart)" floated through the square, boy and girl members of the KCU, clad in the dress of the children's corps members during the anti-Japanese revolutionary struggle, wove patterns with long strips of cloth of various colors (Tansimjul) going around the maypoles.

To the melody of the song "Our Father, Marshal Kim Chong-il" peculiar colorful scenes spread, rendering the dancing party all the more fascinating.

The KCU members sang songs and danced, renewing their oath to constantly prepare themselves for General Kim Chong-il and for the motherland, deeply cherishing

the faith that they will certainly win when there is the dear leader Mr. Kim Chong-il for them.

Children Meet Kim Il-song

SK0706112794 Pyongyang KCNA in English 1043
GMT 7 Jun 94

[Text] Pyongyang, June 7 (KCNA)—The great leader President Kim Il-song today met and congratulated the participants in the fifth congress of the Korean Children's Union.

When President Kim Il-song appeared on the picture-taking ground, the entire participants in the congress enthusiastically welcomed him, raising cheers of "Hurrah!", and loudly shouted in chorus "Loyal sons and daughters" and "Filial sons and daughters".

Delegates to the congress made salutes of the KCU to President Kim Il-song and presented to him a basket of fragrant flowers carrying boundless reverence and loyalty of the three million members of the KCU.

Present there were O Chin-u, member of the presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces; Kang Song-san, Politburo member of the WPK Central Committee and premier of the Administration Council; Yi Chong-ok, Pak Song-chol and Kim Yong-chu, Politburo members of the WPK Central Committee and vice-presidents; Kye Ung-tae and Han Song-yong, Politburo members and secretaries of the WPK Central Committee; Kim Chol-man, alternate Politburo member of the WPK Central Committee; Choe Tae-pok, alternate Politburo member and secretary of the WPK Central Committee; Hong Song-nam, alternate Politburo member of the WPK Central Committee and vice-premier of the Administration Council; Vice Marshal of the Korean People's Army Paek Hak-nim; Kim Chung-nin, secretary of the WPK Central Committee; and Choe Yong-hae, member of the WPK Central Committee and chairman of the C.C., the League of Socialist Working Youth of Korea.

President Kim Il-song congratulated the entire members of the KCU upon brilliantly displaying the honor of Korean children by taking part in the building of a new country, in the sacred war in defence of the country and in the socialist construction in the past. He expressed the hope that the KCU members, the successors to the revolution, would more firmly prepare themselves to be young guards unfailingly loyal to the Workers' Party of Korea, and posed for a photograph with the participants in the congress.

Kim Il-song Meets With Delegation

SK0706112994 Pyongyang KCNA in English 1046
GMT 7 Jun 94

[Text] Pyongyang, June 7 (KCNA)—The great leader President Kim Il-song today received a delegation of the Korean Children's Union in Japan headed by Kim

Yu-ui, vice-chairman of the Central Standing Committee of the League of Korean Youth in Japan, on a visit to the socialist homeland to participate in the 5th congress of the Korean Children's Union.

Present on the occasion was Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), staying in the socialist homeland.

The members of the delegation presented to Generalissimo Kim Il-song a bouquet of flowers carrying the loyal heart of the members of the Korean Children's Union in Japan and wished him good health and a long life.

President Kim Il-song had a cordial talk with the members of the delegation and posed for a photograph with them.

Editorial on Children's Congress

*SK0606062594 Pyongyang KCNA in English 0528
GMT 6 Jun 94*

[“NODONG SINMUN on 5th Congress of Korean Children's Union”—KCNA headline]

[Text] Pyongyang, June 6 (KCNA)—NODONG SINMUN today dedicates an editorial to the 5th Congress of the Korean Children's Union which opens here today on the occasion of the 48th anniversary of the founding of the Korean Children's Union.

Under the wise guidance of the great leader Generalissimo Kim Il-song the flag of the Saenal Juvenile Union, the first communist juvenile revolutionary organisation of our country, was carried forward by the anti-Japanese Children's Corps and then by the Korean Children's Union after the liberation and the Korean children have vigorously traversed the road of victory and glory under this flag, the editorial says, and goes on:

The congress will be a congress of loyalty which will demonstrate the fervent and strong will of the 3 million members of the Korean Children's Union to walk with fortitude under the guidance of respected General Kim Chong-il the road of Paektu hewn by the anti-Japanese guerrillas and anti-Japanese children's corps members under the guidance of the great leader Generalissimo Kim Il-song.

In order to smash the anti-DPRK campaign of the imperialists and the reactionaries of the world and defend and exalt our-style socialism centering on the popular masses, it is imperative to direct efforts to preparing not only the party members and the youth but also the children.

There are no more important task and no greater honour to our Children's Union members today than to become true guards of the Workers' Party of Korea [WPK].

The Children's Union members should become loyal and filial sons and daughters who follow General Kim Chong-il with pure heart and remain loyal and dutiful to him.

Strictly abiding by the study-first policy of the party, the Children's Union members should study hard, cultivate communist moral traits and build their physical strength. And they should actively participate in socio-political activities and the do-good-things movement and have the spirit of safeguarding the motherland against the aggression moves of the enemies and the readiness to be rifles and bombs as members of the League of Socialist Working Youth of Korea [LSWYK] do.

All the members of the Children's Union should, in the future, too, as in the past, vigorously advance for the accomplishment of the revolutionary cause of chuche which started from Mt. Paektu, flying the red flag of the Children's Union as true young guards of the party, following the WPK and LSWYK members.

Increased Output of Power Stations Reported

*SK0706151194 Pyongyang KCNA in English 1502
GMT 7 Jun 94*

[Text] Pyongyang, June 7 (KCNA)—A remarkable increase has been registered in the output of electric power at the power stations of the Democratic People's Republic of Korea.

According to data available at the State Commission of Electric Power Industry, the hydraulic power stations chalked up of late the peak in recent years in their output of electric power.

Many power stations including the March 17 united hydraulic power plant, the Changjagang Power Station and the Hochongang Power Station have lifted their daily output 20 percent above the same period of the preceding month. The March 17 united hydraulic power plant has boosted the daily electricity output 30 percent in recent ten days.

The Hochongang Power Station which found reserves of production growth in technical innovation has rationally remolded the water turbines and established a more rational system of information transmission between the power station and the power distribution center, thus increasing efficiency and keeping production at a stable high level.

The Changjagang and Pujongang Power Stations are topping the daily quotas 9,000 to 10,000 kwh through an effective control of water and equipment and technical control.

Besides, the Changjingang Power Station, the Taechon United Hydraulic Power Plant and the Kanggye Youth Power Station and many other hydraulic power stations are overfulfilling their daily assignments by operating the generators at full capacity.

New Method of Producing Corn Rice Developed

SK0606090294 Pyongyang NODONG SINMUN in
Korean 14 May 94 p 3

[Report by Mun Yong-nok]

[Excerpts] The functionaries, party members, and workers of Pyongsong City food administration highly upheld the militant task presented in this year's New Year Address by the great leader and the decisions made at the 21st plenary meeting of the Sixth Party Central Committee, and vigorously launched into the work to carry out the tasks of the first year of the adjusting period in unison. They were successful in producing new corn rice through an industrial method of which scientists in the related sectors had conducted research. [passage omitted]

Extending over several occasions, the great leader gave taught about improving the people's dietary life by solving the problem of processing corn which is produced on a large scale in our country. Also, the dear comrade leader personally looked over the corn rice newly developed at an institute in fall of last year and clearly elucidated the direction and method of producing corn rice through an industrial way. [passage omitted]

The new corn rice which is being produced on a large scale at this work site through an industrial method is considerably superior in its shape, color, and quality compared with the previous corn rice.

The new corn rice swells two times better than the previous corn rice and swells more than white rice. Therefore, when we cook the corn rice, it swells over three times. When eating, we can combine corn rice with the white rice or we can just eat the corn rice.

Also, since the new corn rice melts over 20 percent less than the previous corn rice, it doesn't melt well in water and its degree of white color and stickiness are high. Therefore, when this is cooked, it not only looks and tastes delicious, it is very digestive.

The new corn rice hardens over 40 percent less than the previous corn rice.

The functionaries, party members, workers, and technicians of the Pyongsong food administration work site who were successful in producing the new corn rice through an industrial method are all the more consolidating the results that have already been achieved, and are also achieving results in carrying out the work to supplement more nutritive elements for the new corn rice.

North Koreans Leading 'True Ideological Life'

SK0606112694 Pyongyang KCNA in English 1036
GMT 6 Jun 94

[“Korean People's Ideological Life Meeting Intrinsic Demand of Social Man”—KCNA headline]

[Text] Pyongyang, June 6 (KCNA)—NODONG SINMUN today carries an article explaining that the Korean people's ideological life strictly meets the intrinsic demand of the social man.

Our people is leading a true ideological life in a socialist society centred on the popular masses, the article says, and goes on:

Our people's ideological life is suited to the nature of man first of all because it makes all the members of society live and develop as true human beings with independent ideology.

An ideological life assumes a class nature in all societies.

Socialism ensures the popular masses an ideological life suited to the nature of the social man. In the socialist society where the social and economic basis breeding outdated idea has been destroyed and a class confrontation removed, the ideological life of the people is based on the revolutionary idea of the working class.

The ideological basis of our socialism is the chuche idea, the greatest guiding idea of our era, and there is a revolutionary ideological education system established by the party in our country. So all the working people in our country are being firmly prepared to be true people with independent ideology and they fully enjoy a worthy life as master of their destiny and the master of the state and society. Today our people accept the chuche idea as their faith out of their vital demand and devote all their energy and wisdom to the consolidation and development of our style socialism, closely united around the party and the leader. And the whole society is overflowing with the noble communist trait of sharing the destiny and bitters and sweets helping and leading each other forward.

Our people's ideological life is suited to the nature of the social man also because it is a precious life which makes all the people truly glorify the noblest political integrity.

Man has socio-political life as well as physical life. Physical life is a life of man as the organism of living thing whereas the socio-political life is the life of man as a social being. Man, a social being, holds socio-political life dearer than physical life, and the true dignity and value of man lie in having and glorifying socio-political life.

A man can live a life worthy of humanity with socio-political life only when he shares destiny with the socio-political collective united organisationally and ideologically as its member.

Ours is a socialist society of singlehearted unity in which the leader, the party and the masses are linked together as a socio-political organism sharing life and death. It is the true look of the ideological life in our society that the entire people absorb the idea of the leader as the nutrients of political integrity and maintain blood ties with the socio-political organism centering around the leader, embraced in a political organisation.

Our socialism is vigorously advancing, flying high the banner victory in the grim ordeals of history, because the whole society is definitely swayed by the noble revolutionary consciousness and indomitable fighting spirit with which the people never give up their political faith and principle under any circumstances and conditions but share the destiny with the party and the leader, which way the wind may blow.

Article Stresses People, Party Share Destiny

SK0606005894 Pyongyang NODONG SINMUN in Korean 20 May 94 p 2

[Article by Sin Un-chol: "Sharing Destiny With Party Is Noble Virtue of Our People"]

[Text] The dear comrade leader has led the party's work for 30 years.

During this period, our people were able to cherish a noble ideological and spiritual ethos to share their destiny with the party with their single-hearted unity in the course of carrying out the revolution, thus upholding the dear comrade leader's leadership.

We cannot talk about the might of our single-hearted unity, as well as the invincibility of socialism of our own style, without the noble ethos of our people, who share their destiny with the party by upholding the dear leader Comrade Kim Chong-il.

The dear leader Comrade Kim Chong-il has indicated: Here lies the high valued life and honor of revolutionaries, who die at their post of duty by endlessly fighting on carrying out the revolution, thus sharing their destiny with the party.

Sharing destiny with the party means that one would entrust one's destiny to the party forever and devote one's whole life to achieving the party's cause. In other words, this indicates that one would entrust one's destiny and future to the leader [yongdoja], who leads the party and the revolution; willingly devote one's youth and life for the leader [yongdoja]; and contribute one's wisdom and energy on carrying out the leader's [yongdoja] idea and leadership.

Sharing destiny with the party is the most important ideological and spiritual ethos the people—who carry out the revolution—should cherish.

The destiny of the party is just the destiny of the people carrying out the revolution. The party provides a guideline for the people to pioneer their destiny and gives them a noble political life, as well as a power and wisdom to glorify it. How the people enjoy their political, material, ideological, and cultural life, or what their life and their next generation's destiny could be in the future depend on the leadership of the party and the leader [suryong]. Only the people, who cherished such a truth

deep in their hearts, will endlessly share their destiny with the party, thus firmly trusting in it in any difficult situation.

Today's circumstance in which our people carry out our revolution is as complicated as ever. The imperialists are eagerly plotting to isolate and crush [apsal] socialism of our own style, the life of our people. Under these circumstances, our people are even firmly resolved to absolutely trust in and defend the dear leader Comrade Kim Chong-il and to vigorously carry out a struggle along the road elucidated by the party, thus entrusting their destiny to the party and the leader [suryong], no matter what they say.

Ranging from old anti-Japanese fighters, the first generation of our revolution, to the third or fourth generation of the revolution, everyone has tried to totally entrust his destiny and future to the dear leader Comrade Kim Chong-il and to share his life, joys, and sorrows with him forever. This is the firm faith and will of our people. Our people's ethos has been developed into the most noble popular-oriented ethos, with which our society is now overflowing, as well as becoming a powerful might to strengthen the party and to give impetus to socialism of our own style.

The purity of the ideological and spiritual world of our people, who are to share their destiny with the party, has been clearly shown in their firm trust in and following of the great leader [yongdoja] as defender of their destiny and pillar of their hearts.

In the course of the whole life of the people, who embarked upon the road to carry out the revolution, the leader [yongdoja] is the savior of their destiny, as well as the pillar of their hearts. The true life of the revolutionary fighters can be started by the great leader [yongdoja], and, also, their life can be glorified forever in his bosom. We cannot talk, even for a moment, about the destiny of revolutionaries apart from the leader [yongdoja]. Therefore, the people carrying out the revolution would be able to follow the leader [yongdoja], thus firmly trusting in him as the benefactor of their life and savior of their destiny.

Today, in our country all the people firmly trust and follow dear leader Comrade Kim Chong-il as the guard of their destinies. Just like anti-Japanese fighters absolutely trusted and followed the great leader as the lode-star of the liberation and the sun of the nation in early days, our people unanimously and endlessly admire and follow the dear comrade leader—who is warmly taking care of the people with the responsibility for their destinies while practicing politics of love, trust, and benevolence—as a benefactor of their lives and as their father.

As has been known all over the world, Comrades Corporal Kim Chol-chin and Private First Class Kim Kyong-chol of the Korea People's Security Forces could fight being true to their revolutionary fidelity to the last, even under the difficult situation in an area occupied by

the enemy, because they firmly trusted and followed our general from the bottom of their hearts. No matter how the enemy threatened and tried to win them over to its side, they fought with the faith that they could return to General Kim Chong-il's bosom without fail, foreseeing their bright future in the seasoned leadership of the great general who always turns an adverse situation into a favorable one and a misfortune into a fortune with his extraordinary wisdom, outstanding leadership, and peerless braveness. Their struggle clearly demonstrated to the world that the determination and will of our people and People's Army to share their destinies with the party to the last are not empty words.

Our people's absolute admiration for the dear comrade leader is such stout and invariable as shown above since they hold the greatness of the leader's [yongdoja] ideology, leadership, and personality through experience. No other people in the world but ours are firmly trusting and earnestly following their own leader [suryong] and leader [yongdoja] as the guard of their destiny and their spiritual pillar. Our people will firmly trust and follow the great leader and the dear comrade leader like heaven under any circumstance and will devote their lives on the road of trusting and following them.

The loftiness of our people's ideological and spiritual world represented by their will to share their lives with the party is clearly expressed by their death-defying struggle to defend and protect the great leader [yongdoja] politically and ideologically.

The purity of the people's ideological and spiritual world is greatly displayed in resolutely defending and protecting the leader [yongdoja] of the revolution. To defend and protect the leader [yongdoja] is the most honorable and sublime duty in the revolutionary struggle. A revolutionary should be an unbending fighter who defends and protects the party and the leader [suryong] under any circumstance. Only those who have resolute, revolutionary determination to share their destinies with the leader [yongdoja] and to live forever in his bosom even after they die can glorify their honor as genuine revolutionaries.

Today, our people are stoutly fighting, upholding a slogan of loyalty urging themselves to become rifles and bombs to death-defyingly protect the dear leader Comrade Kim Chong-il. This slogan has a throb of the fervent loyalty of the anti-Japanese revolutionary fighters who, in early days, were willing to become human bombs to safeguard the great leader [suryongnim] and were willing to cast their valuable youth to keep secrets of the command. The slogan of resolute faith that expresses the will to become rifles and bombs has become an all-people slogan. This fact itself well shows the high level of the ideological and spiritual world of our people who are ready to share their destinies with the party.

Many revolutionary fighters—who, as fortresses and shields, are resolutely defending and protecting the dear

leader Comrade Kim Chong-il under any stormy circumstance and are willing to cast their youth and lives in the course of defending him—have come forth out of our people. They are those revolutionary fighters who rushed into the violent fire to protect portraits of their leader [suryong] and leader [yongdoja] and those heroic fighters who sacrificed their valuable youth by shielding an exploding hand grenade. Even today, not in wartime with rain of guns and bombs, such heroes appear one after another. This is a proud reality that can be seen only in our society, a crystal of single-hearted loyalty and filial piety.

Today's reality clearly shows that there is no worthier or more brilliant life than that of a revolutionary fighter who is invincibly fighting with revolutionary resolution and determination to death-defyingly defend and protect the party and the leader. The loftiness of the ideological and spiritual world of our people, who share their destinies with the party, is also well demonstrated in the fact that they are making every effort to repay the grateful benevolence of the leader [yongdoja] who has advanced their destinies.

The leader's [yongdoja] boundless love and benevolence should be repaid with the fighters' trust and obedience. To repay his love and benevolence with trust and obedience is the revolutionary fighters' obligation and sense of duty.

All kinds of happiness, freedom, honor, and dignity that our people enjoy today have been prepared by the dear comrade leader. Without the great benevolence and love of the party and the leader [suryong], we can neither think of the fact that we have grown up to be resolute revolutionaries who contribute to implementing the socialist cause and to be honorable members of the Workers Party of Korea, nor talk about the fact that we have become the masters of our own destinies. This is why, whenever our people look up at the benevolent image of the dear comrade leader and think of the party's bosom, they cannot help being filled with strong emotion and hardening their determination to repay the benevolence of the party and the leader with their lives. This determination of our people has been hardened generation after generation and has become firmer as time goes by.

Today, our people are struggling with all their wisdom and energy to repay with loyalty the party and the leader, who gave them eternal political lives and advanced their genuine lives. Our people are burning with the sheer desire to well repay the great benevolence of the party and the leader.

Wherever the revolutionary struggle and construction are being carried out, we can see many loyal revolutionaries who are glorifying their lives by solving problems that the party is concerned about and intends to solve, regarding the solution of those problems as a worthy thing of a genuine life. If the party wants and intends, our people are willing to move to socialist construction sites,

coal mines, and rural areas in groups and defend their revolutionary sentry posts until the end of their lives without wishing any honor or repayment. This exalted and beautiful trait is highly displayed today, and it well shows the lofty spiritual world of our people who try to devote their lives to the struggle to implement their leader's [yongdoja] ideology and policy, with single-hearted loyalty, keeping in mind the grateful benevolence of the party and the leader all the time.

Today, in our country the leader [yongdoja] and the people are united together and our revolution is advancing while overcoming hardships because all the people are faithfully upholding the party and the leader and sharing their destinies with the party.

All party members and working people should even more vigorously demonstrate the might of our party and the invincibility of socialism of our own style, by sharing our destinies with the party to the last, upholding the dear comrade leader and bearing the great dignity and pride in living and carrying out the revolution in the glorious age under his leadership.

Papers Observe 'World Day of Environment'

SK0506094894 Pyongyang KCNA in English 0832 GMT 5 Jun 94

[Text] Pyongyang, June 5 (KCNA)—Papers here today observe "World Day of Environment".

Noting that mankind is now facing a grave environmental problem, an article of NODONG SINMUN says:

One billion people live in very polluted air and about 10 million people die annually from various diseases caused by polluted water worldwide.

In capitalist countries the monopolies operate polluting factories, without taking anti-pollution measure, seriously polluting the environment, while pursuing only profits.

Continuous nuclear tests and manufacture of nuclear weapons, nuclear war exercises let out a large amount of radioactive substances, gravely destroying environment.

Mankind demands a blue sky and clean water and air.

No small number of countries are increasing investments in the protection of environment and taking measures for preventing pollution.

Korea is called a beautiful land with thick forests and clean water, free from pollution, thanks to the correct policy of the Workers' Party of Korea on environmental protection.

A MINJU CHOSON article says:

The government of the Democratic People's Republic of Korea is making all efforts to fulfil its national duty for the protection of global environment. The Korean

people will intensify the work for environmental protection together with all the world peaceloving people. dd

South Korea

Kim, Yeltsin Converse on Telephone 'Hotline'

SK0806100194 Seoul KBS-1 Radio Network in Korean 0802 GMT 8 Jun 94

[Text] For the first time since the establishment of a hotline between Chongwadae [presidential residence] and the Kremlin, ROK President Kim Jong-sam had conversations with Russian President Boris Yeltsin over the phone today. They agreed to jointly make efforts to pass a resolution on UN sanctions regarding the North Korean nuclear issue.

In a telephone conversation with President Boris Yeltsin, which lasted for 20 minutes beginning at 0635 GMT, President Kim Jong-sam stressed: North Korea's nuclear development should be practically checked by the two countries' close cooperation and by UN sanctions. Based on the good spirit and friendship formed during the past summit talks, the two leaders should make efforts to successfully pass the resolution at the United Nations.

By expressing his full support for it, President Boris Yeltsin said that he would actively cooperate on adopting the resolution at the United Nations and, at the same time, stressed: He agrees that the North Korean nuclear development should be practically checked in order to denuclearize the Korean peninsula.

President Kim said that we should make efforts to properly carry out the joint declaration agreed upon by the leaders of the two countries, while President Yeltsin said that the details of the agreement reached between the two leaders will be perfectly carried out, because he already approved them to be carried out under the supervision of responsible officials concerned.

The presidents of the two countries have reaffirmed their partnership relations based on their friendship and mutual trust formed during their talks.

In particular, President Yeltsin said that the two leaders should make efforts to develop partnership relations between the two countries based on their mutual trust. He also said that the two leaders should frequently call each other and should continue making efforts to maintain the friendly partnership relations through working-level officials.

President Kim expressed the hope that President Yeltsin could visit the ROK as soon as possible. Regarding this, President Yeltsin said that he will visit the ROK as soon as possible when the foreign minister makes a schedule.

The telephone conversation between the presidents of the two countries over the hotline was made as a result of President Yeltsin's first call to President Kim.

Foreign Minister Departs for Beijing for Talks
*SK0806002394 Seoul YONHAP in English 0012 GMT
8 Jun 94*

[Text] New York, June 7 (YONHAP)—South Korean Foreign Minister Han Sung-chu says that the situation over the North Korean nuclear dispute could change within a few days if Pyongyang cooperates with the International Atomic Energy Agency [IAEA] for its efforts to maintain nuclear safeguards in that country. "If not, North Korea could not avoid U.N. economic sanctions," Han told South Korean correspondents stationed in New York, shortly before his departure for Beijing Tuesday.

On President Kim Yong-sam's order, Han was heading for Beijing for talks with his Chinese counterpart Qian Qichen on the North Korean nuclear issue, it was announced by Foreign Ministry spokesman Chang Ki-ho in Seoul Tuesday night. Han had been scheduled to return home Tuesday from New York. He is expected to meet Qian Thursday to explain the results of his talks with U.S. Government officials and permanent members of the U.N. Security Council on possible sanctions against North Korea.

Han will ask China to go along with the Security Council after explaining to Qian that the reason South Korea, the United States and their allies are pursuing a resolution imposing sanctions on North Korea is simply because there is no other alternative.

Meeting with Korean reporters, Han said an overwhelming majority of the Security Council members had told him the world body must take strong action against North Korea. But a vote in the council will not come until after next week because some work must still be done on revising the language of a draft resolution by the permanent members, Han said.

Pressed for a comment on the possibility that China might oppose sanctions, Han said it appears Beijing will make up its mind after looking for any changes in the North Korean attitude. But when the Security Council adopts a resolution on sanctions, the situation naturally calls for such action and therefore, China would not be in a position to block the resolution or oppose it, Han said.

Asked about his visit to China, Han noted that every country in the Security Council believes that Beijing has an important role to play in the North Korean nuclear issue. He said he plans to brief Chinese leaders on the results of his negotiations with U.S. and Russian officials and members of the Security Council in New York.

Han said he will also ask the Chinese to continue their efforts to persuade North Korea to accept U.N. inspections of its nuclear facilities. With regard to a reported Russian proposal for an eight-party conference on the nuclear issue, Han said that is not the official Russian position.

Moscow was said to be pressing for such a conference, to be attended by representatives from the two Koreas, the United States, Japan, China, Russia, the IAEA and the United Nations.

On the possibility of multilateral sanctions being imposed by South Korea, the United States and Japan, Han said Seoul does not feel such sanctions are needed. Han acknowledged there would be some danger in the event that the United Nations slaps sanctions on North Korea. Nonetheless, the world body cannot afford to flinch because of Pyongyang's threats. Seoul will take realistic, effective and comprehensive measures to deal with all possible eventualities, Han added. In his talks with Qian, Han will also explain the outcome of President Kim's visits to Moscow and Tashkent before returning home Thursday.

Meanwhile, former Foreign Minister Yi Sang-ok is visiting Beijing at the invitation of a Chinese association of diplomatic officials and will discuss the North Korean problem with Qian.

DPRK 'Transferring' Weapon Technology to Mideast

SK0806110094 Seoul KBS-1 Radio Network in Korean 1000 GMT 8 Jun 94

[Text] It was revealed that North Korea is transferring [chonsu haejugo issomi] manufacturing technology for up-to-date biochemical weapons to the Middle East.

It is likely, therefore, that the German cabinet meeting today will work out appropriate measures against the threat of such mass lethal weapons imposed recently by North Korea.

Correspondent Yi Myong-ku reports from Berlin:

[Begin Yi recording] The German newspaper, DIE WELT, quoting an intelligence source in the West, reported that North Korea is selling nuclear-delivery rockets to radical states in the Middle East and handing over technology on biological weapons and chemical weapons to them.

This paper wrote that the nations to which North Korea is selling weapons are capable of paying North Korea in foreign currency at once, and Iran, Syria, Iraq, and Libya are included in these nations.

A German intelligence source pointed out that the arming of these countries with mass lethal weapons poses a direct threat to European countries. The source expressed worries about the possibility of Europe being taken hostage by these countries even from next year.

This source also revealed that some business firms in Europe, including Germany, are involved in the Middle East nations' manufacturing of weapons based on North Korean technology.

NORTHEAST ASIA

Another intelligence source pointed out, however, that Germany effectively blocked the weapons produced in Germany from being handed over to the Middle East nations, and transaction of such mass lethal weapons is being carried out in a more skillful and secret manner with each passing day. Therefore, tenacious efforts are necessary to prevent Arab states from arming themselves with such weapons.

Meanwhile, the German cabinet meeting to be held today will discuss measures to cope with the issue of uranium produced in the Former Soviet Union being brought into Germany and with the issue of the armament of Arab states with nuclear-delivery rockets and biochemical weapons. It was learned that a secret report on the proliferation of such lethal weapons will be submitted to today's cabinet meeting. In addition, the cabinet meeting will also work out effective countermeasures for the threat imposed by North Korea. [end recording]

Minister Han Discusses Possibility of Sanctions

SK0806073994 Seoul CHUNGANG ILBO in Korean 8 Jun 94 p 5

[Interview with Foreign Minister Han Sung-chu by ROK correspondents in New York on 7 June]

[Text] "China's role, too, is important in applying pressure on and persuading North Korea to accept the issue of nuclear transparency. China's cooperation is essential also in achieving a concerted action at the UN Security Council and in persuading North Korea."

Foreign Minister Han Sung-chu gave New York-based ROK correspondents the background of his sudden visit to China by saying this before boarding an airplane bound for Beijing on 7 June. After accompanying President Kim Yong-sam on a visit to Russia, he flew to New York to have individual meetings with the ambassadors of the five permanent members of the UN Security Council.

[Reporter] What is China's present position?

[Han] China does not readily agree to the allegation stressing the need to have the UN Security Council take strong countermeasures. But, it also is in a position not to offer active opposition, either. This is because China, too, cannot deny the fact that efforts to have dialogue with North Korea have reached a limit. If other permanent members of the UN Security Council come to a conclusion that sanctions against North Korea are inevitable, China will not presumably be able to offer opposition.

[Reporter] It is learned that China and Russia are objecting to adopting a resolution for the imposition of sanctions.

[Han] You can understand this by noting that a process of working out a resolution—not a debate of pros and cons—is now underway.

[Reporter] Russia is calling for holding eight-way talks before sanctions are imposed.

[Han] Well, Russia is not advocating such talks as a precondition to the UN Security Council's imposition of sanctions. It is certain that Russia is positive about the working out of measures for the imposition of sanctions.

[Reporter] If a resolution is adopted at the UN Security Council, when do you expect it will be?

[Han] It seems that it is difficult to see one adopted within this week.

[Reporter] In case the UN Security Council adopts a resolution, there seem to be two options, such as the adoption of a resolution of warning or the immediate imposition of sanctions. What is the official stance to this?

[Han] As one resolution has already been adopted and two Security Council presidential statements have been issued up until now, I think that now is not the opportune time to go out of the way to go through the process of adopting a resolution of warning.

[Reporter] North Korea is threatening that the present regime in South Korea will face an end if economic sanctions are imposed.

[Han] It is true that there is a risk in the imposition of sanctions. But, we cannot afford not to do what we should do because of North Korea's threatening remarks.

Flexibility of U.S. in Handling of DPRK Urged

SK0806081494 Seoul HANGYORE SINMUN in Korean 8 Jun 94 p 3

[Editorial: "The Responsibility of Aggravating the North Korean Nuclear Situation and the Share of the United States"]

[Text] The moves to implement sanctions on North Korea are an indication of the general trend in which there is no more room for theoretical discussion. The next step is to see when, what, and how sanctions will be imposed. While shouldering the national task for peaceful reunification, we are again heading toward taking a step which may propel confrontation and hatred instead of reconciliation, exchange, and cooperation, without presenting a self-reliant [chuchejok] resolution.

North Korea may be blamed for darkening the nuclear issue with its tenacious use of its nuclear card. However, the pushing of North Korea, which is already in a dilemma, into a tight corner by the United States, can not be overlooked. The United States once alleged that the radiochemical laboratory was the key to ascertaining

the status of North Korea's nuclear development and strongly charged North Korea of blocking inspections. North Korea eventually allowed inspections at the laboratory, and the International Atomic Energy Agency [IAEA] inspectors reportedly extracted samples. Nothing has been reported about the result of the examination or analysis. Judging from recent developments in the situation, it is speculated that nothing substantial was discovered to prove that North Korea had secured enough plutonium to develop nuclear weapons. The United States and the IAEA's repeated demands for inspections on the two undeclared nuclear facilities strongly backs up this rumor.

The IAEA is refuting North Korea's assertion that sampling and examination is still possible because the removed fuel rods have been numbered. We do not have any scientific grounds to judge which side is right. Even if we accept the IAEA's assertion, we still doubt that this justifies the demand for inspections on undeclared facilities as the Nuclear Nonproliferation Treaty stipulates inspections on declared facilities only. Moreover, the United States and North Korea came to an agreement that inspections on the two undeclared facilities would be discussed at the third round of U.S.-North Korea talks.

North Korea seems to be preoccupied with the concern that the nuclear card has lost its effectiveness prior to a third-round of talks without guaranteeing the establishment of diplomatic relations with the United States. North Korea should realize, even at this late stage, that it was wrong from the start to think of using the issue of the development of nuclear weapons, which is invariably linked to national issues, as its bargaining card.

Reviewing developments in the North Korean nuclear issue during the past 15 months, it becomes apparent that the United States is partly responsible for the tense situation. Thus, it should not raise its voice for sanctions but do its best to seek a more effective measure to completely solve the problem. An unconditional third round of talks would be a desirable step toward this end, but if this is difficult, then at least conditions should be made more accessible to being accepted by North Korea. If, by saying "No concessions can be made," President Clinton meant that he does not care about any tragedy concerning the Korean peninsula, we who live on this land cannot accept this. A strong leader is more apt to have room for flexibility and should work toward goals flexibly.

Minister Suggests 'Quick', 'Gradual' Sanctions

SK0806075694 Seoul YONHAP in English 0750 GMT
8 Jun 94

[Text] Seoul, June 8 (YONHAP)—National Unification Minister Yi Hong-ku said Wednesday that international sanctions against North Korea should be effective and quick but gradual.

Speaking to reporters over lunch, Yi predicted it would take two to four weeks for the UN Security Council to adopt a resolution calling for sanctions against North Korea.

By "gradual" sanctions, he meant that during each phase the door should remain open for negotiation depending on North Korea's response.

No uncertainty will cloud the government's policy toward the North Korean nuclear issue, he said. "The move to slap sanctions on the North this time is to honor the words that the North would hardly avoid sanctions if it continued refueling its 5-megawatt reactor in Yongbyon without the presence of international inspectors," he added.

Meanwhile, Ku Pon-tae, chief policy-maker at the National Unification Board, stressed the nuclear issue should not be left for neighboring countries and the international community to resolve.

Speaking at a policy discussion meeting of the ruling Democratic Liberal Party's central standing committee earlier in the day, Ku noted that external pressure will understandably be put on North Korea to pay the price if it yielded to the sanctions of the International Atomic energy agency or the world community.

He added that in parallel with international sanctions, inter-Korean efforts should be made to settle the nuclear question.

Asked about the possibility of the United States taking sanctions on its own, he replied that Washington has so far favored initial sanctions under a UN Security Council resolution. After these initial sanctions, the next step would be taken based on North Korea's response, he observed.

Ku predicted that escalating sanctions would have a tremendous impact on South Korea's economy. In order to make sanctions effective, the South must be prepared for all eventualities, including a counteraction by the North.

DPRK Minister on Study of 8-Way Talks Proposal

SK0806050794 Seoul KYONGHYANG SINMUN in
Korean 8 Jun 94 p 3

[Excerpts] North Korea's Foreign Minister Kim Yong-nam, who is on a visit to the Ukraine, expressed his intention on 6 June to positively examine Russia's proposal for holding eight-way talks which came up last March, thereby attracting our attention as we wonder if there has been any change in North Korea's attitude.

That day, Foreign Minister Kim said: "We are interested in, and are examining, Russia's proposal." Thus, he indirectly put forth a proposal for discussing North Korea's nuclear issue in the "eight-way talks." The proposal for eight-way talks was put forth by Russia on

24 March. The idea is to find a solution to North Korea's nuclear issue through eight-way talks involving South and North Korea, the United States, Japan, China, Russia, the United Nations, and the International Atomic Energy Agency.

Because the background for his remarks is unknown, it is not certain whether Foreign Minister Kim meant a revision of North Korea's "principle of solving the nuclear issue through the North-U.S. talks" or whether his remarks were ceremonial ones. But, at the present moment, the prevailing view is that those remarks hint of an obvious change in attitude in light of the fact that North Korea's nuclear issue is now in its final stages of discussion at the UN Security Council. [passage omitted]

First of all, we can interpret this as showing a change in its attitude because, realistically, the nuclear issue has already lost its value as a bargaining chip in its negotiations with the United States because the issue is now at a cul-de-sac stage when the UN Security Council is discussing the imposition of sanctions. As for North Korea, the only way to break through the present difficulty without suffering from sanctions is to accept the U.S. demand for ad hoc inspections and for a full confession. In this case, because this will be regarded as surrender to the United States, it will be difficult for North Korea to cope with the consequences. Rather, as far as North Korea is concerned, the eight-way talks may serve as an alternative because the talks can lessen North Korea's burden.

Of course, many people say that it is unreasonable to regard his remarks as showing a change in North Korea's attitude on the grounds that official media of North Korea are still advocating the solution of its nuclear issue through North-U.S. negotiations.

Those who have this kind of view see his remarks to be of a long-shot, public attention-arousing nature, or—in view of North Korea's diplomatic attitude which we have seen thus far—as merely a strategy to earn time to lessen the ever-seething international mood for the imposition of sanctions.

If North Korea has really changed its attitude, it is now clear that a new turning-point will be provided in the solution to North Korea's nuclear issue through dialogue—which is now at a deadlock—although the possibility of immediate realization of the eight-way talks is small because the UN Security Council has already begun discussing the issue.

IAEA Hints at DPRK Undeclared Facilities

*SK0806000194 Seoul KBS-1 Radio Network in Korean
2206 GMT 7 Jun 94*

[Report by Cha Man-sun from Vienna]

[Text] Han Blix, director general of the International Atomic Energy Agency [IAEA], strongly hinted today that there are still several undeclared nuclear facilities

[in North Korea] by disclosing for the first time that it is essential to make approaches to more facilities, in addition to ad hoc inspections of two undeclared facilities, for the purpose of looking into the exact amount of North Korea's stockpile of plutonium.

In the second-day session of the IAEA Board of Governors held early this morning, Director General Han Blix made a separate report on North Korea's violations of the nuclear agreement in which he expressed with high intensity and certainty that there is undeclared plutonium in North Korea at the moment, while saying that he did not know whether it is in gram or kilogram.

Director General Han Blix pointed out that the two undeclared facilities, which North Korea has not opened to inspections claiming they are military facilities, exist within the Yongbyon nuclear complex. He stressed that North Korea's allegations they are military facilities are not sufficient to set aside inspection.

In particular, Director General Han Blix said for the first time that it is essential to make approaches to more facilities in addition to ad hoc inspections of the treatment site of nuclear waste materials for the purpose of looking into the exact amount of the plutonium produced, thereby strongly hinting that there are several new undeclared nuclear facilities.

In the meantime, the IAEA Board of Governors will adopt a resolution of warning against North Korea after discussing North Korea's nuclear issue either tomorrow or the day after tomorrow.

President Interviewed on DPRK Policy

*SK0806111194 Seoul YONHAP in English 1102 GMT
8 Jun 94*

[Text] Seoul, June 8 (YONHAP)—President Kim Young-sam said on Wednesday no sanction against North Korea is being mulled among South Korea and some of its allies outside the frame of the United Nations in connection with the nuclear question.

"It is not proper to discuss any sanction outside the United Nations at this time when international negotiations are going on over the issue of sanctions," the president said.

In an exclusive interview with the daily HANGUK ILBO on its 40th anniversary, Kim said the most important thing under the circumstances is to adopt sanctions against North Korea through the UN Security Council.

The president said this is no time for South Korea and the United States to discuss ways to induce North Korea to come to a dialogue.

"If North Korea is interested in dialogue, Pyongyang itself should advance an acceptable offer," Kim said.

The president said he would have another telephone conversation with U.S. President Bill Clinton to discuss possible sanctions against North Korea.

He also said he does not feel the need to modify the government's unification policy that rules out any unification by means of absorbing North Korea.

"The government's firm policy is to promote unification step by step through consultations between the two Koreas," he said.

The president further reaffirmed that during his presidency, there would be no constitutional change to revise the existing single five-year term of presidency or in favor of a parliamentary cabinet system.

Asked if he plans to meet Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, President Kim said it would be unnatural for him to discuss political matters with a man who he said has retired from politics.

"But, I believe there will be some opportunity to meet him open-heartedly," the president said.

Likelihood of DPRK Military Provocation Poll

SK0806150094 Seoul KBS Television Network in Korean 1235 GMT 8 Jun 94

[Text] The KBS Television Network conducted a poll over the phone with 600 male and female adults as respondents.

Reporter Kim Chin-suk reports on the details of the poll:

[Begin Kim recording] The reaction of our people to the possibility of North Korea's military provocation is, above all, negative.

As the result of the telephone poll of 600 male and female adults living in Seoul, 60 percent of the respondents said that even if the United Nations imposes economic sanctions against North Korea, North Korea will not carry out a military provocation, and only 32 percent replied that it will commit military provocations.

Seventy-two percent of the respondents, namely three out of four citizens, denied the possibility of North Korea's triggering a full-scale war such as the 25 June Korean war on the Korean peninsula, and only 24 percent replied that there is such a possibility, thus reflecting our people's insensitivity to war.

However, more than half of the respondents pointed out diplomatic efforts through dialogue as effective means for blocking North Korea's nuclear development; 27 percent pointed out economic sanctions; and 15 percent pointed out South Korea's nuclear development. Meanwhile, 4 percent of the respondents stressed that a preemptive attack should be launched against North Korea.

Concerning international community sanctions against North Korea's nuclear development, 83 percent of the respondents replied that sanctions must be imposed by all means. This shows that most of the people are sympathetic with the necessity for sanctions by the international community in order to prevent North Korea's nuclear development.

In view of the results of the poll, we come to a conclusion that our people, based on their negative assessment of the possibility of North Korea's military provocation, think that the North Korean nuclear problem should be resolved through dialogue to the most possible extent, and, even if this resolution method is difficult, North Korea's nuclear development must be blocked by all means through economic sanctions against North Korea. [end recording]

NUB Reports Increase in DPRK Propaganda

SK0806025894 Seoul YONHAP in English 0238 GMT 8 Jun 94

[Text] Seoul, June 8 (YONHAP)—North Korea, facing imminent international sanctions for its suspected program to build nuclear arms, has intensified agitation and propaganda operations to stir up South Korean society, the National Unification Board [NUB] said Tuesday.

Radio Pyongyang reported Saturday that the South Korean government would carry out currency reform in June or July, citing a bulletin on "the civilian government's currency reform" from a ghost organization named "Hanminjon," [South Korean National Democratic Front] or the National Unification Front of Korea, NUB officials said.

The currency reform will devalue the won by a ratio of 100 to 1 and affect not only cash in circulation but also bank deposits and securities denominated in won, and informed Chongwadae [presidential offices] sources have already confirmed the bulletin, the report said.

Asserting that forged 10,000-won bills found in South Korea last month were the harbinger of a currency reform, North Korea is spreading the bulletin on currency reform in South Korea through its electronic media, the officials said.

The NODONG SINMUN, the official newspaper of the North Korean Workers' (Communist) Party, urged Southern workers, in a commentary carried in a recent issue, to launch a full-scale struggle for higher wages, reinstatement of dismissed workers and guaranteed labor participation in company management in June, while criticizing the Kim Yong-sam government's call for burden-sharing.

The North Korean propaganda machine's agitation pieces targeting South Korean students, workers and farmers increased from 32 in April to 73 in May, the officials said.

Pyongyang's increased anti-Seoul propaganda operations are aimed at disturbing South Korean society by fanning the flames of the "theory of June crisis" postulated by some political circles in the South.

An official from NUB said the North Korean radio report on currency reform in South Korea is totally groundless, calling it just part of the psychological warfare designed to disrupt the unity of the South Korean people and Government in dealing with the North Korean nuclear problem.

North Korea will make use of collective bargaining on wage hikes in June and July and a pan-national unification meeting it will hold at Panmunjom in August to create an anti-government climate and social confusion in South Korea, he said.

President Convenes National Security Meeting

*SK0806034594 Seoul YONHAP in English 0333 GMT
8 Jun 94*

[Text] Seoul, June 8 (YONHAP)—President Kim Young-sam and members of the National Security Council [NSC], agreeing that international sanctions against North Korea are unavoidable, discussed measures Wednesday to ensure the country's security.

The Kim administration's first meeting of the National Security Council was convened by the president, as stipulated by the Article 91 of the Constitution, in order to handle the North Korean nuclear row "at the pan-national" level.

The council discussed steps to ensure national security and the survival of the entire Korean people, government officials said.

In addition, the government decided to firm up the cooperative arrangement with the United States, Japan, China and Russia to resolve the nuclear dispute, they said.

"North Korea has begun changing nuclear fuel rods one-sidedly, ignoring repeated warnings by the international community," Kim told the meeting. "The action seriously damaged the prospects for ascertaining the country's nuclear program."

As a result, sanctions by the U.N. Security Council against North Korea appear to be unavoidable, Kim said.

"The target of North Korea's nuclear weapons is us," Kim declared. "We have to stop North Korea from developing them at any cost."

Moreover, Pyongyang is heightening tension on the Korean peninsula by threatening to regard U.N. sanctions as a declaration of war, Kim charged.

"Tension on the Korean peninsula will continue for the time being," he said.

"Our firm belief is that North Korea should not have even one-half of a nuclear bomb," the president said. "This is our position and it cannot be revised."

Asserting that North Korea's unflagging determination to build nuclear weapons is abnormal, Kim instructed Defense Minister Yi Pyong-tae to make sure that the nation's military is on alert against possible North Korean provocation every minute of the day.

"The transparency of North Korea's nuclear program has to be maintained at any cost," Kim said.

"We have to convey our message (to Pyongyang) that we would never tolerate North Korea's nuclear arms development plan," the president said.

North Korea, ignoring the new world order, is challenging the "conscience of the international community," he said. "But there is a limit to it (international tolerance)."

"Today's (NSC) meeting is attracting great interest among our people," Kim noted. "And the meeting should serve as an occasion to send a clear signal to North Korea as well."

Kim declared that today's NSC session is different from all previous security meetings.

One Chongwadae [presidential offices] official said the Seoul government has tried to resolve the issue through dialogue, but now "we have reached a point from where our basic policy toward North Korea has to change."

In the meeting, Deputy Prime Minister Yi Hong-ku submitted a report in which he charged that North Korea is skillfully using the South's efforts to avoid war for the purposes of maintaining its establishment, fomenting unrest in the South and as a card in international negotiations.

Vice Foreign Minister Pak Kon-u reported on the position of each of the five permanent members of the U.N. Security Council with regard to sanctions against North Korea.

"The cooperative system between South Korea and the United States against North Korean moves is firm," the vice minister said.

Defense Minister Yi analyzed all possible North Korean military provocations and explained the government's measures to counter each of them.

Kim Tok, director of the Agency for National Security Planning, told the meeting that North Korea's economy has registered "minus growth" in the past four years. It is now suffering acute food and energy shortages.

Although the Pyongyang government is whipping up war hysteria, there appear to be no unusual activities, Kim said.

The meeting was attended by Prime Minister Yi Yong-tok, Deputy Prime Ministers Chong Chae-sok of the Economic Planning Board and Yi Hong-ku of the National Unification Board, Home Affairs Minister Choe Hyong-u, Finance Minister Hong Chae-hyong and Defense Minister Yi Pyong-tae.

Other officials attending were So Chong-won, first state minister for political affairs; Vice Foreign Minister Pak Kon-u on behalf of the foreign minister; director of the Agency for National Security Planning Kim Tok; chief presidential secretary Pak Kwan-yong; Gen. Yi Yang-ho, chairman of the Joint Chiefs of Staff; Chon Yong-taeck, chairman of the Emergency Planning Committee; Chong Chong-uk, senior presidential secretary for foreign and national security affairs; and presidential spokesman Chu Ton-sik.

Success Rate of Tested DPRK Missiles Reported

SK0706123594 Seoul YONHAP in English 1149 GMT
7 Jun 94

[Text] Seoul, June 7 (YONHAP)—North Korea has test-fired three silkworm missiles in the past one week and one of them hit the target, a military expert in North Korea [as received] said Tuesday.

"From their Sinsang-ri missile base near Wonsan, North Korea test-fired three silkworm missiles toward the East Sea [Sea of Japan] since May 31," he said.

Only one of the three hit the target about 160 kilometers away with two others having failed, the expert said.

The missiles with a range of 200 kilometers were an improved model of the Chinese-made 95km-range silkworm missile, he said.

North Korea had in the past test-fired missiles from their Hwajin-ri missile launching pad North of Pyongyang in the direction of Sinmi-do island in the West Sea, and this was the first time they test-fired missiles toward the East Sea, he added.

10 DPRK Officers Reportedly Executed in Feb

SK0706113794 Seoul YONHAP in English 1129 GMT
7 Jun 94

[Text] Beijing, June 7 (YONHAP)—North Korea executed about 10 junior officers by burning late last February after they were caught conspiring against Kim Il-song and his son-heir, Kim Chong-il, it was learned here on Tuesday.

A source here who is well versed with North Korean affairs said he obtained the gruesome information from a former Chinese resident in Pyongyang who he said felt unsafe and fled to China.

The execution, according to the source, took place at the parade ground of Kang Kon General Military Officers

School, more correctly a training institute for Kim Chong-il's body guards, located at Sinsong-tong, Sunan district, Pyongyang.

The condemned officers, mostly company-grade officers assigned to the officers school, were taken to the parade ground one by one, where executioners poured gasoline on them and set them afire in the presence of about 1,000 mobilized residents and party officials, the source said.

Among the witnessing residents were the families of the condemned officers, who were made to stand in front rows, he said.

The Chinese resident who witnessed the execution became so angered at the cruelty that he sent a letter to Beijing authorities to inform about the incident.

But, the message was detected in a postal inspection, and North Korean security officers had since tailed and checked him often.

"This made him feel unsafe in the North and flet to China recently," the source said.

He said that whenever an officer was excuted by burning, the mobilized people, acting on the initiative of party officers, shouted "pan-yokja" or traitor and threw rocks at them.

When the rumors spread among people later that the excution by burning was personally ordered by Kim Chong-il, the superintendent of the military school had disappeared, the source added.

'Worries' Over Nuclear Issue Cause Stock Plunge

SK0806034994 Seoul THE KOREA HERALD in English 8 Jun 94 p 8

[Text] Share prices plunged across the board on the Korea Stock Exchange for the second consecutive day yesterday amidst escalating worries about the worsening crisis over the North Korean nuclear issue.

The composite stock price index, a yardstick of local stock prices, nose-dived more than 15 points in the morning session to 914, breaking the psychological mark of 920 points at the outset of the session, but the early losses were partially recouped in the afternoon session, thanks to bargain-hunting strength. The index fell 8.54 points to close at 921.72 yesterday. The stock market closed at 930.26 last week.

During last week, the price index lost 15.02 points, which was equal to about 1.02 points, which was equal to about 1.02 percent drop in going market value of stocks listed on the exchange.

Market analysts said the plunge in share prices for two consecutive days—Saturday and yesterday—was caused by investors' concern about the North Korean nuclear issue, which took a sharp turn for the worse when the United States, in coordination with Korea and Japan,

moved to place sanctions against North Korea as Pyongyang has failed to abide by the IAEA's inspection procedures. The allies also weighed possible military options.

Most investors, both institutional and individuals, remained on the sidelines with some investors resorting to panic selling.

Such volume leaders as trading, banking and construction-related issues, which remained steady until Friday, lost ground as did other blue chip issues. Some telecommunications and oil-related issues, however, were actively traded in the morning session, thanks to enthusiasm in selective buying.

Stock brokers said that share prices will likely remain depressed for the time being with possible technical fluctuations as long as tension on the Korean Peninsula remains unchanged.

Yi Hak-pong Summoned Over Dec 1979 Incident

SK0806075294 Seoul YONHAP in English 0714 GMT
8 Jun 94

[Text] Seoul, June 8 (YONHAP)—The Seoul District Prosecution Wednesday summoned Yi Hak-pong,

former chief investigator of the defunct joint investigation division of the Martial Law Command, as part of its probe into the Dec. 12, 1979, "coup d'etat-like incident."

The prosecutors probed into how and why Yi apprehended on Dec. 12 Gen. Chong Sung-hwa, former Army Chief of Staff and martial law commander, on suspicion of abetting a rebellion despite an earlier announcement by the joint investigation division that Gen. Chong had no link with the assassination of former President Pak Chong-hui on Oct. 26, 1979. Yi was then serving as director of the division's investigation bureau.

Proceeding to the prosecution, Yi told reporters he took Chong to the investigation office at that time "to question him in connection with the Oct. 26 incident," adding that he had brought with him documents proving the suspicions about Chong.

Yi replied "groundless" when asked to comment on Gen. Chong's assertion that he had undergone water torture by investigators of the Defense Security Command's Sobingo Branch in Seoul.

The prosecution, meanwhile, will summon former Defense Minister Choe Se-chang on Friday for similar reasons. dd

Burma

US Said 'Inflating' Annual Drug Yield

*BK0806035294 Hong Kong AFP in English 0815 GMT
7 Jun 94*

[By Michele Cooper]

[Text] Rangoon, June 7 (AFP)—Burma alleges that Western nations are deliberately distorting its drug production figures as part of their drive to put pressure on the government for political change.

Burmese officials said that the West, and particularly the United States, intentionally inflated the annual drug yield in Burma while refusing to recognize Rangoon's efforts at combatting the problem.

In a veiled reference to pro-democracy activist Aung San Suu Kyi, now in her fifth year of house arrest, Colonel Kyaw Win, deputy director of defense services intelligence, said: "As far as this factor exists, we will be over-assessed."

"Whatever we do, the West will downplay us," he said.

He and other officials interviewed over the past week never mentioned the country's leading dissident by name, but instead referred to Aung San Suu Kyi most frequently as "the factor," or occasionally as "the lady."

In conversations with AFP, officials also complained that warlord Khun Sa, who has been battling Rangoon government troops for autonomy in the Shan state, was being portrayed by some as a freedom fighter.

"He is a drug runner, and we take him as that," Kyaw Win said, adding there would be no peace talks with Khun Sa.

Officials pointed to crop substitution programs begun in border areas where Rangoon has signed peace agreements with a majority of the armed rebel groups who formerly fought the central government.

US Drug Enforcement Administration agents were given access to these areas for assessment, Kyaw Win said, but there was a high disparity between their field reports and the figures eventually published in Washington.

US officials had no immediate comment. Western drug agency sources dismissed the charge, but one Western diplomat remarked that the allegation was "not impossible."

Western nations have assessed Burma's annual production of illicit opium, mainly in border areas forming part of the Golden Triangle, at around 2,500 tonnes—a figure which Rangoon officials said was exaggerated.

Rangoon has, meanwhile, denied reports of major battles with Khun Sa's Maung Tai Army (MTA) in the Shan state, describing the fighting as only localized operations.

Asked about Khun Sa's claims of heavy losses by government troops, Kyaw Win acknowledged there were casualties, but "not as much as Khun Sa says."

A Rangoon-based diplomat concurred, saying casualties were running three-to-one, with Khun Sa's attacking forces suffering more than government troops operating from defensive positions.

Once the remaining Karen, Mon and Karenni rebel groups had signed peace agreements with Rangoon, Kyaw Win said, "we will go all out against Khun Sa."

He and other officials declined to say when such agreements might be concluded, but indicated that contacts were continuing.

Diplomats and other observers said they saw little prospect, however, for an early agreement with the Karen, who are believed to have the strongest rebel fighting force still in action against the government.

KIO's Leader Meets Committee Members

*BK0806052294 Rangoon Radio Burma in Burmese
1330 GMT 7 Jun 94*

[Text] Members of the KIO [Kachin Independence Organization] who have returned to the legal fold in Kachin State are currently in Yangon [Rangoon]. The KIO delegation led by Kachin national leader Dr. Tu Ja and members U (Lei Dan), U Lapaing La, U (Tian Tan), U (Wa Dau), and peace intermediary U Hkun Myat again met with members of the National Convention Covenining Work Committee [NCCWC] at 0900 today at its office in the Kyaikkasan Grounds in Yangon. Members of the NCCWC who met with the KIO delegation were U Tha Tun, deputy chairman of the committee; U Aung Khin Tint, committee member; U Aye Maung, secretary; and U Thaung Nyunt, joint secretary-1.

Committee Deputy Chairman U Tha Tun and committee members explained in a cordial and frank manner several points the KIO wished to discuss concerning the National Convention.

Karen Rebels Attack Passenger Car

*BK0706160594 Rangoon Radio Burma in Burmese
1330 GMT 7 Jun 94*

[Text] Members of the armed organizations in the jungle are attacking passenger cars, trains, and vessels with small and heavy weapons for no apparent reason. They are also disturbing and hindering the local tranquility as well as secure and smooth transportation.

Nearly 30 members of the jungle-based Karen armed organization attacked Bo Aung Kyaw passenger car at 0730 on 2 June with small and heavy weapons near Kawlon Gyun. Due to the callous and wicked attack, a monk and two women passengers were killed by gunshot wounds while six others—U An Gu, 45, of Hto Ant Village; U Hla Shwe, 40, of Kamamaung Ward No. 6;

Daw Ma Tin, 70, of Ward No. 7; Daw Tin Sein, 45, and and Daw Win Than, 31, of Ward No. 5; and Ma Aye Mya, 9, of Pinma Village—sustained serious wounds from heavy weapons shrapnel and shots from small weapons.

The responsible personnel took the injured immediately from a village dispensary to a hospital for treatment. Local military columns, People's Police Force, People's Militia, responsible personnel from the respective law and order restoration councils, and local residents are collectively searching for the members of the jungle-based armed organization who committed this callous and wicked attack.

Reversal of 'Negative' Policies Hailed

BK0806031694 Bangkok THE SUNDAY POST in English 5 Jun 94 p 23

[Commentary from the "Guest Column" by Omar Farouk: "A New Post-Socialist Burma"]

[Text] Irreversible changes are taking place in Burma after the "Young Turks" quietly forced the retirement of "the last surviving soldier from the socialist era," General Saw Maung. My recent visit to the country revealed that Ne Win's socialist revolution is over. Karl Marx is out; Gautam Buddha is in.

Since early 1992 Slorc [State Law and Restoration Council], led by a new generation of officer corps, has been reversing the negative and ruinous policies of the now-defunct Burma Socialist Party Programme (BSPP) that ruled Burma with an iron fist for 26 years. Under the Marxist-oriented socialist dictatorship, there was told repression: [as published] politically, economically and socially. Today, the degree of personal though not political freedom has expanded enormously in Burma.

Social Changes: It's ironic but true that the people are much freer today than they were under the one-party socialist dictatorship. The powerful neighbourhood People's Councils, which spied on the people for the party, have been dismantled and replaced by citizens at the grassroots level.

Burmese no longer need 14-day permits for internal travel. Once-forbidden border zones are now open to traders. Burmese embassies now issue "visit visas" to former Burmese citizens; decades-old suspended and expired passports are now being renewed without any questions. Former Burmese nationals now have the right of citizenship.

Even dissidents have been allowed to visit the country. Former Prime Minister U Nu's daughter and her family were the latest visitors. Than Than Nu and her husband, Ko Nyein, vocal critics of the regime, were given back their passports. During the revolution, those who left Burma were branded as "traitors to the socialist cause" and were denied entry to the country—for nearly three decades.

The exception was Aung San Suu Kyi. She had unrestricted entry to Burma during the "dark Burmese days." After all, the Burmese way to socialism was declared the continuation of her father, Gen Aung San's dream.

People have gotten back religion. There is more freedom of worship today. A Buddhist revival has spread throughout the land. Monks have been relegated to their former supreme position in society.

It's a bit of a shock to see the young generals prostrating before the Sayadaws (senior monks) in public. No one recalls seeing military or party officials bowing to the monks during the socialist era. To the party ideologues, the clergy were "meddlesome" and treated as "parasites." (Ironically, the monks were the first to accuse the BSPP of being communist.)

The Burmese Muslims are again free to use loudspeakers from the minarets. Visiting foreign pastors can now address their congregations in churches. Pilgrimages to Mecca and the Vatican are no longer a problem. The revolution of the mind has begun.

The Economy: From the very beginning of independence in 1948, Burmese leaders, both civilian and military, have been steadfast in building a socialist economy, with little or no room for capitalist institutions. This was in line with Aung San's thinking. The legendary Burmese independence hero was the founding member of the Burma Communist Party. U Nu and Gen. Ne Win were his comrades.

Under British rule, they were all leftists and "because capitalism had worked to their disadvantage, they mistrusted capital. And because capital is derived from profit they mistrusted profit as an incentive to industry. And they associated capitalism with foreign rule."

The civilian government of U Nu (1948-1962) preferred Western democratic socialism to communism. On the other extreme, the BSPP chose Marxist socialism, which led to formal adoption of the Sino-Soviet model of development and to a total denial of the role of private enterprise.

Slorc's switch from command to market economy has done some good for the country: life has returned to normal. Food and consumer goods have filled up the once-bare shelves. The people eat and dress better. The markets and bazaars are bustling. The sidewalks are full of hawkers selling goods from Thailand, China and India.

The department stores are stocked with electronics from Japan, South Korea, Hong Kong and Singapore. The shops in Rangoon and Mandalay—nationalised and shuttered for 26 years—have opened with a zest and proudly display their signboards.

The military have turned into entrepreneurs, too: Tatmadaw [defense services]-owned department stores are now competing in Mandalay and other cities.

The kon-the (trading) class is once again respectable after being shunned, imprisoned and impoverished by the previous socialist regime. Today they count their profits and losses in dollars, baht and rupees. Under socialism, foreign exchange dealings were illegal and "economic saboteurs" faced the death penalty.

There are two currencies circulating in Burma today. One is the overvalued kyat and the other is the Foreign Exchange Unit or the "Burmese dollar" as the locals call it. The dollar coupons signify a de facto devaluation of the kyat. The coupons fetch slightly less than the US dollar, (the official rate is 6 kyat to the dollar). Burmese can open foreign exchange bank accounts with the coupons and facilitate import and export. Burma today has turned into a giant re-export centre, tapping the two-billion-people market of China and India. To sum it up: it is no longer a crime to make a living in Burma.

The Burmese way to socialism turned from a Utopian dream into a nightmare. More people went to jail for "economic crimes" (black marketing) than for political dissent during the revolution. The people aptly nicknamed the infamous Insein Jail "Moscow." The Burmese say, in the Soviet Union criminals are sent to Siberia—in Burma they send you to Moscow.

The socialist regime made up of fellow-travellers in the army and radical leftwing politicians—brutalised a nation. In order to create "a new socialist society of affluence," people had their properties confiscated (nationalised), their money cancelled (demonetised). The private sector was dealt a death blow in 1964 when the entire economy was nationalised. These disastrous moves levelled the society, forcing the fiercely proud Burmese to beg, borrow and steal. Overnight, Burma became a nation of black-marketeers.

The "Young Turks": From all indications General Ne Win and his generation of nationalist army officers are fading away into history. Taking over the command are the younger generation of military officers. The "Young Turks"—in their forties and early fifties—have now moved into important posts replacing the half-educated veterans of the Burmese nationalist struggle for independence.

Graduates of the Maymyo military Academy and the Officers Training Corps, the new commanders in the past never saw eye-to-eye with the old guard. In July 1976, young army officers attempted to overthrow the socialist regime. The plot was discovered and the coup leader, Capt Ohn Kyaw Myint, was executed. Although unsuccessful, the coup plotters had denounced the socialist system. Since the removal of Gen Saw Maung, pragmatic changes have taken place: the economy has been unshackled, there is a thriving middle-class, fratricidal civil war is coming to an end, economic and social freedoms have been restored. Today, the military is devoid of ideology. Marxist jargon used by politicians, intellectuals and the military over the past half-century has been abandoned.

The draft constitution: The Burmese military is under fire for demanding a constitutional role—like in Turkey—that will fortify civilian rule. Most Burmese want stability and expect trouble once power is transferred to the political parties. Violence has been part of the political culture in Burma, mainly because of factionalism. It's bizarre but true, that the military takeovers in 1958 and 1962 were generally welcomed by even the most articulate Burmese.

It should not come as a surprise to observers if the military steps in again when the civilians take power and a violent power struggle erupts.

To many Burmese, the most important laws enshrined in the draft constitution are: the State shall not nationalise economic enterprises, and the State shall not make legal tender illegal (demonetisation)—the twin evils that pauperised the nation. Both the democratic and Socialist constitutions of 1947 and 1974 call for the nationalisation of "capitalist" enterprises.

NLD vs the Tatmadaw: The military is locked in a power struggle with the former BSPP members who now control the NLD [National League for Democracy]. Ex-members of the BSPP politburo now serve on the Central Executive Committee of the NLD. More than 80 per cent of those elected under the NLD banner are former BSPP members and purged military officers.

Slorc claims that Suu Kyi has been "hijacked" by the leftists. Some of these allegations are not totally baseless. It is no secret that one of her top advisers is a former communist, Thakin Tin Mya, an ex-member of BSPP Central Committee. He was arrested along with other hardcore ex-BSPP members. Not surprisingly, Slorc has cracked down hard on the NLD while other moderate parties have been left alone.

There are many disturbing questions facing Suu Kyi today which may resurface in the future to haunt her. Like, where was Suu Kyi when the thousands of fleeing Burmese lost everything during the socialist revolution: money, property, friends, a whole way of life, a country.

And the West and Japan must be held responsible for rewarding and supporting a brutal socialist regime for 26 years—the most repressive in modern Burmese history. The knee jerk reaction today by the West to the situation in Burma is too little, too late. Plus, they are barking up the wrong tree.

Brunei, Malaysia & Singapore

Malaysia

Cambodian Minister Guarantees Embassy Safety
*BK0306145294 Kuala Lumpur BERNAMA in English
0821 GMT 3 Jun 94*

[Text] Kuala Lumpur, June 3 (OANA-BERNAMA)—Cambodia has given an assurance that it will take appropriate action to ensure the safety of the Malaysian Embassy in Phnom Penh.

Foreign Minister Abdullah Ahmad Badawi said the assurance was given by Cambodian Deputy Prime Minister Prince Norodom Sirivut when they met in Cairo last Wednesday.

They are attending the 11th meeting of the Nonaligned Movement (NAM) in the Egyptian capital.

He told BERNAMA when contacted by telephone from here Friday that Prince Sirivut expressed regret over the bombing incident at the embassy and said that the incident would not recur.

On May 19, a hand grenade was thrown into the embassy compound by unidentified persons.

No casualties were reported in the incident, the first act of violence against the embassy since the United Nations-supervised general election there last May.

Abdullah thanked Sirivut, who is also Cambodia's foreign minister, and the police for the swift action taken following the bombing, the motive of which was unknown.

Cambodian authorities also gave security protection to the embassy staff.

Abdullah said foreign ministers of ASEAN countries attending the meeting held an informal meeting to discuss preparations for the ASEAN foreign ministers meeting and Post Ministerial Conference (PMC) in Bangkok next month.

The informal meeting was attended by all foreign ministers of ASEAN except Ali Alatas of Indonesia who was indisposed.

Contract Signed for Purchase of Russian Mig-29

Details Reported

*BK0706053794 Kuala Lumpur BERNAMA in English
0350 GMT 7 Jun 94*

[Text] Kuala Lumpur, Jun 7 (BERNAMA)—The contract for the purchase of Russian MIG-29 air superiority jet-fighters for the Malaysian Air Force was signed here today.

The multi-billion ringgit contract for 16 single-seater and two twin-seater MIG-29, ground support equipment and spare parts marked a significant breakthrough for Russian defence manufacturers into the Southeast Asian region.

The Royal Malaysian Air Force (RMAF) would be the first air force in the region to operate the Russian frontline jet-fighters which would be delivered within 14 months.

The contract was signed between the government of Malaysia and the Moscow Aircraft Production Organisation (MAPO) and the state corporation for export and import of armaments and military equipment Rosvoorouzhenie Russia.

Finance Ministry secretary-general Tan Sri Mohamed Sheriff Kassim signed for the Malaysian Government while the Russian defence manufacturers were represented by MAPO director-general V. Koussmine and Rosvoorouzhenie director-general V. Samoilov.

Deputy Prime Minister Anwar Ibrahim, Defence Minister Najib Tun Razak and visiting Russian First Deputy Prime Minister Oleg Soskovets, witnessed the ceremony held at the treasury.

Together with the contract signing, Malaysia and the Russian defence manufacturers also signed two memoranda of understanding [MOU]—one, for industrial participation, and two related agreements.

Under the MOU for industrial participation, general areas for industrial cooperation with local defence industries would be identified while the second MOU was for the setting up of a technical services centre by a tripartite joint venture to provide technical support for the aircraft.

The two related agreements signed were for counter-purchase of US\$95 million worth of Malaysian palm oil by Russia over a five-year period and the offset programme.

Under the offset agreement both sides should identify areas for transfer of technology to be implemented over a period of 10 years.

Airod Sdn. Bhd. [Company Limited], the country's privatised aircraft inspection, repair and overhaul depot, and local telecommunications firm, Sapura Holdings, have been identified as recipients of the project.

Commentary on Purchase

*BK0806060494 Kuala Lumpur BERNAMA in English
0339 GMT 8 Jun 94*

[Text] Kuala Lumpur, June 8 (OANA-BERNAMA)—Malaysia's purchase of MiG-29 jetfighters from Russia will provide the impetus for broader long term cooperation between the two countries, said Russian First Deputy Prime Minister Oleg Soskovets.

He said both countries felt their partnership should not be limited to military and technological cooperation.

We have decided to set up a joint group of experts to study proposals from both sides and identify areas for future cooperation, he told a news conference Tuesday.

Malaysia Tuesday signed a US\$550 million contract with Russia to buy 18 MiG-29 jetfighters, of which

US\$450 million will be paid in cash and the balance in the form of Malaysian refined palm oil over a five-year period.

Soskovets said he had a useful discussion with Prime Minister Dr. Mahathir Mohamed covering Malaysia's interest in Russia's high technologies in satellite communication, telecommunication and space studies.

On trade between the two countries, he said it was not sufficiently developed.

Russia might consider granting certain tariffs and custom duties to Malaysia in future trade, he added.

Soskovets also said the counter purchase of palm oil in the MiG-29 deal was very profitable to his country.

Russia, he said, was also interested in selling its weapons and military equipment to other countries in Southeast Asia.

The new Russian military doctrine emphasised the utilisation of its advantages in military technologies and to put them to commercial use.

Conversion is underway in the Russian defence industry... Many items are now discontinued but at the same time we should preserve the capacity in industrial and scientific potentials and to do this we should seek new markets, he said.

He said Russia's sale of combat weaponry in the world market had dropped tremendously compared to that of the former Soviet Union.

According to statistics of an international peace research institute, the former Soviet Union contributed some 38 per cent of world weapons sales against 30 per cent by the United States, he said.

Now Russian arms exports only comprised five per cent of the total compared to 60 per cent by the United States, he added.

Editorial on Settlement of Island Dispute

BK0406111994 Kuala Lumpur BERITA HARIAN in Malay 30 May 94 p 10

[Editorial: "The Dispute Over Sipadan and Ligitan Islands Should Be Settled Cordially"]

[Text] The third meeting of the Malaysian-Indonesian Joint Commission for Bilateral Cooperation ended in Kuala Lumpur yesterday with the two sides agreeing that no development will be undertaken on the islands of Sipadan and Ligitan while talks are under way to seek a solution to the dispute. The two nations believe that the dispute over the islands should be settled immediately to prevent it from becoming a "thorn" that may undermine close bilateral relations.

Malaysia and Indonesia agree that there are no obstacles standing in the way of strengthening good relations and

further expanding cooperation in any field. We are convinced that recriminations and heated arguments over international problems will not bring any benefit to either party, but would rather open the possibility of outsiders interfering in their internal affairs—something which may complicate the situation. Of course, many parties are awaiting to take advantage of a rift in relations between Malaysia and Indonesia, which belong to one family. We are convinced that the strong solidarity of the Malaysian and Indonesian people and leaders cannot be easily overshadowed or eroded by self-interest or the interest of any party who does not understand the basis of the strong relationship, although the two nations are separated by the Straits of Malacca. Although the brotherly relationship was once undermined by a confrontation, their historical and cultural ties have since eliminated any useless prejudices. It is with this intimate relationship that we seriously want to establish a new force to face challenges and tackle various economic and political problems to serve our common interests.

Nevertheless, we feel that the island dispute has been dragging on unwarrantably although the matter has not been raised at the international level. Meetings and discussions have taken place alternately, but there has been no agreement to settle the matter. Indeed, it is not logical that the close relationship may be affected simply by the dispute over two small islands. As the islands are small, we hope that only few meetings will be needed to settle the matter in a very short time. Will lengthy discussions mean that the two sides are not being serious? Perhaps the postponement of a ministerial meeting from last Saturday until next year was indicative of their lack of determination and seriousness. The islands have commercial value and can be developed into tourist resorts and marine sports centers. Both nations recognize this potential and any delayed solution will surely inflict financial losses to both sides.

Nevertheless, we are convinced that Malaysia and Indonesia strongly hope that something positive will come out of a three-day meeting of the Joint Working Group on Sipadan and Ligitan Islands due to start in Jakarta on 7 September. We are strongly convinced that this trivial matter will be settled in a spirit of harmony and compromise if we are serious about seeking a solution. Izhar Ibrahim, director general for political affairs of the Indonesian Department of Foreign Affairs [name and title as published], who headed a 29-member Indonesian delegation, said that his country was committed to seeking whatever means is available to settle the dispute in a spirit of friendship.

In fact, the two nations have agreed on many matters at the negotiating table. Let's see cooperation in the automobile and aircraft industries, which have not only demonstrated the expertise of the Malay nations but have also contributed to ASEAN efforts to further enhance cooperation in Southeast Asia. We are also happy over Indonesia's full support for the establishment of the East Asian Economic Caucus [EAEC] and commitment to the establishment of a growth triangle

covering Sumatera in Indonesia, southern Thailand, and the northern part of peninsular Malaysia, and over the fact that Indonesia has increased the frequency of sea and air traffic between the peninsula and Sumatera, encouraged the development of the financial services industry, and signed an investment guarantee agreement with Malaysia. Cooperation in trade, information, science and technology, agriculture, and tourism can be further developed to cover various new issues.

Party Readmitted Into National Front

BK0706122694 Kuala Lumpur BERITA HARIAN in Malay 1 Jun 94 p 2

[Text] Kuching, Tuesday—The Parti Bansya Dayak Sarawak [Sarawak Dayak Race Party or PBDS] was officially readmitted into the Sarawak National Front, which the party quit in 1987.

The Sarawak National Front and PBDS signed a memorandum of understanding on the readmission into the front at Wisma Sumber Alam here today.

According to a press statement of the State Information Department here this evening, the memorandum of understanding was signed by Chief Minister Tan Sri Abdul Taib Mahmud in his capacity as chairman of the Sarawak National Front and PBDS President Datuk Leo Moggie, who represented the Sarawak National Front and PBDS respectively.

The document was drafted by the National Front-PBDS negotiating committee, which previously held several series of talks.

Witnessing the signing ceremony were Datuk Adenan Satem, chairman of the negotiating committee from the National Front, and PBDS Vice President Dr. James Masing.

PBDS, which was established in 1983, was a component of the National Front both at the federal and state levels until the party quit to join the opposition at the state level in 1987. PBDS remains a component of the National Front at the federal level.

PBDS sought to rejoin the Sarawak National Front for the first time following its severe defeat in the 1991 state election, but the Sarawak National Front gave no reply at that time.

Cambodia

Khmer Rouge Warns About 'Error of Judgment'

BK0706035594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 6 Jun 94

[Commentary: "Opinion of Various Circles in Phnom Penh Voices Opposition to the Resumption of U.S. Interference in and Provocation of Cambodia's war"]

[Text] Circles both in Phnom Penh and the provinces have all been aware that the United States, on behalf of the alliance of Western powers, is canvassing military aid for the two-headed government to enable it to continue igniting the flames of war in Cambodia. Opinion of various circles in Phnom Penh is wondering whether in doing so the United States is pouring water to extinguish the flames of war, or is it adding fuel to them?

In so doing, the United States is certainly joining the communist Vietnamese in their aggression against Cambodia. The United States should know that giving money and supplying arms and materiel to the two-headed government can only benefit the communist Vietnamese. If the United States gives the two-headed government political and diplomatic assistance, the only one who will benefit from that will be none other than the communist Vietnamese. If the United States helps the two-headed government politically and diplomatically, only the communist Vietnamese will gain in their attempt to swallow Cambodia. That could be seen as a serious act of murder against Cambodia because the Western alliance would be helping the communist Vietnamese to annex Cambodia.

The United States should realize that this alliance, which is helping the communist Vietnamese to annex Cambodia, is running counter to the general trend. On the one hand, it could create more acute, insoluble differences with the Cambodian nation and people. It is incapable of doing away with the Cambodian nation and people because the United States would be creating conflict on top of conflict, thus driving the Cambodian nation and people to rise up simultaneously and fight back. At the same time, it could create differences with neighboring countries. If Cambodia became part of Vietnam, it would automatically be part of the Indochinese federation of the communist Vietnamese. As such, how dangerous a threat would that be to the ASEAN borders?

You do not have to look far. Just a few days after it had come to power, the two-headed government began to insolently lambaste other countries, verbally attacking its own neighbors. ASEAN in general wants to see Cambodia achieve reconciliation and peace and is opposed to any move that would give military aid for continuing to ignite the war because ASEAN realizes that should Vietnam succeed in swallowing up Cambodia, ASEAN would share its border directly with the communist Vietnamese, and there would be all kinds of problems to ASEAN's security. As far as United States is concerned, what could it gain from such a situation?

As for the differences within the nation and people, they are permanent. These include differences arising from the problems of land ownership, taxation, robberies, assassinations, and all kinds of power abuses, such as forcible recruitment and so on. These are utmost and permanently painful differences. No matter how much money the United States and the alliance is willing to give the two-headed government—be it \$100 million a

month or \$1,200 million a year or \$2,400 million every two years—these differences would never be solved. No wizard could ever solve them. Do not look at them as being differences with the 10,000-20,000 or 100,000 Khmer Rouge. Instead, look at them as differences between war and peace, as political, economic, and social differences created and continually inflamed by the communist Vietnamese, the alliance, and their puppets.

How can these differences be resolved? If one tries to solve them through war, one only multiplies them. If one tries to resolve them through national reconciliation, these differences might gradually dissipate, thus inviting peace and happiness back to the country and the national community.

The United States should not look at the Khmer Rouge as just a bunch of individuals. It should look at them as the offspring, the flesh and blood of the entire Cambodian nation and people and especially of the nearly 7 million peasants. Attacking the Khmer Rouge is tantamount to attacking the entire peasantry, the entire Cambodian nation and people. The United States should reconsider whether it is better for Cambodia, the countries in the region, and the United States itself if it chooses the means of using water to extinguish the flames of war. This is a question that requires very close consideration. There should not be an error of judgment as the ones made when the United States decided to start the Vietnam war in 1960 and stage the coup d'état in Cambodia in 1970 and when the communist Vietnamese decided to invade Cambodia in 1978-79.

Che Sim Returns From Roundtable Talks

BK0306114894 Phnom Penh AKP in English 0942
GMT 2 Jun 94

[Text] Phnom Penh AKP June 2—Samdech Chea Sim, president of the National Assembly, returned here yesterday after having attended the roundtable talks in Pyongyang, North Korea, between Cambodian Royal Government and Kampuchea Democratic faction.

The talks were held from May 27 to 28 at Chhangsu-on palace in the People's Democratic Republic of Korea.

Samdech Chea Sim was welcomed at Pochentong airport by Mr. Loy Simchheang and Mr. Son Soubert, first and second vice-presidents of the National Assembly, and foreign embassy's officials to Cambodia.

During the roundtable talks, the Royal Government agreed unconditionally to a cease-fire proposals by His Majesty King Norodom Sihanouk to be in effect on June 15. But Khmer Rouge nominal leader Khieu Samphan rejected the proposal.

Prince Accused of Ignoring Vietnamese Threat

BK0606061694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Jun 94

[“Short article”: “How Does Prince Ranariddh See the Vietnamese Threat, and Why Has He Declared War Against the Cambodians Who Are Struggling Against the Vietnamese to Defend the Nation?”]

[Text] The present threat to the survival of Cambodian nation and race is:

1. The fact that Vietnam has nibbled a large part of Cambodia's territory and territorial waters adjacent to Vietnam.
2. The 4 million Vietnamese who are occupying and nibbling the remaining Cambodian territory with the goal of turning the Cambodian society and nation into Vietnamese as they did to Kampuchea Kraom [Cambodian territory annexed by Vietnam].

All these constitute a grave threat to the survival of our Cambodian nation and race. How does Prince Ranariddh see this Vietnamese threat? Why has Prince Ranariddh declared war against the Cambodians who are struggling against the Vietnamese to defend the Cambodian nation and race? By so doing, does it mean that Prince Ranariddh is joining hands with the Vietnamese in their attempt to eliminate Cambodian nation? Does this mean that Prince Ranariddh is betraying the nation? By attempting to kill the Cambodians, to let the Vietnamese annex Cambodian territory, what heinous crime is Prince Ranariddh committing against the Cambodian nation and race?

The black book of Cambodia's history has recorded and will continue to record Prince Ranariddh's traitorous act in joining hands with the Vietnamese to kill the Cambodians. The Cambodian nation and people condemn and will continue to condemn Prince Ranariddh and all of his descendants to come as they did under the reign of King Chey Chettha II in the past.

The Cambodian nation and people who cherish their nation and race will not allow Prince Ranariddh, his colleagues, and the Vietnamese aggressors to kill the Cambodian nation and race.

Residents Allege Vietnamese Theft of Land

BK0406113394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Jun 94

[Text] According to a report from Kompong Cham Province, hundreds of Vietnamese families are grabbing land belonging to Cambodians on the upper and lower parts of the Kompong Cham port.

The Cambodian landowners there said they first saw 10 to 20 Vietnamese boats anchoring along the river banks

near the port. A few days later, they saw many more Vietnamese boats anchoring along the river banks. Some small huts were also being built on the river banks.

When the landowners told them to get out off their land, these Vietnamese said they were not settling on these lands and that they would be leaving after staying there for a few days. Our people then returned home.

Two weeks later, the Vietnamese boat people went ashore and built hundreds of huts on the river banks. They do everything, including selling goods, fishing, and prostitution.

Seeing this, the landowners went to drive the Vietnamese off their land. This time, the Vietnamese replied that the Cambodian authorities had given them permission to settle there. The Cambodian people complained to the ward authorities, but no measures were taken to settle this problem. The people then went to complain to the provincial authorities. But Hun Neng, elder brother of one-eyed Hun Sen, who has been installed by the Vietnamese as Kompong Cham provincial governor, threatened the people against doing anything to harm the fraternal Vietnamese and Vietnamese-Cambodian solidarity.

The people were very angry with this statement by Hun Neng. They said he and all his colleagues are Vietnamese lackeys who only defend the Vietnamese while oppressing the Cambodians. The people said that they must not rely on the Vietnamese lackeys any longer; they must solve the problem of Vietnamese land-grabbing by themselves; they must not allow the Vietnamese to grab their land; and that they will take action against Hun Neng later.

Thai 'Meddling' in Internal Affairs

BK0606131394 Phnom Penh CAMBODIA TIMES in English 5-11 Jun 94 p 2

[From the "Comment" column: "Respect Thy Neighbor"]

[Text] International standards of neighboring behavior require sovereign nations to respect one another and not to interfere in the internal affairs of other countries, near or far. Of course, with Thailand this is always different, unless they themselves are the 'victim' of neighborly meddling in their own internal affairs.

So armed with the usual double standards, the Thais continue to meddle and flex their muscles in the internal affairs of Cambodia, their favorite 'weak' neighbor.

A recent glaring example of this affair is when General Charan Kunlawanit, head of Thai National Security Council, embroiled himself in Cambodia's internal affairs when he dispatched a diplomatic note warning Australian foreign Minister Gareth Evans to reject His Majesty King Norodom Sihanouk's plea for military aid

for the Kingdom of Cambodia. General Charan apparently argued that aid would expose Cambodia as a puppet of the West.

The question about what General Charan's role is in this matter has turned out to be an interesting one. Never mine that the Khmer Rouge has all this time received support from certain segments of the Thai military, which makes them to be puppets of Thailand. This turn of events is highly suprising for a man who personally vetoed a U.S. request last year for permission to put up aerial reconnaissance to monitor Khmer Rouge movements along the Thai border, as reported in the FAR EASTERN ECONOMIC REVIEW. General Charan's neutrality is of course a foregone conclusion, especially in light of his comments to the BANGKOK POST a year earlier, when he said Thailand would "be crazy" to sever ties with the Khmer Rouge.

The rebels "share the same fence as ours. Boycott them and we endanger our own being" the good general said.

Naturally, General Charan is not representative of the whole of Thailand, but what is clear is that Thailand is not in too much of a hurry to see Indochina, especially Cambodia's in-fighting stamped out—not if Thailand stands to gain from another long, drawn out war.

And so the Thai comedy plays on.

Report on Forest Destruction, Economic Issues

BK0606135394

[Editorial Report] Phnom Penh REAKSMEI KAMPU-CHEA in Cambodian on 4 June carries the following reports in its business section:

Concerning the domestic transportation of timber, the paper says that 30 barges carrying processed wood to Phnom Penh have been stranded at the Kratie provincial port for nearly a month because the province's Department of Forestry and Wildlife has refused to issue a permit. No reason has been given. The paper calls on the department to explain its action, saying that the government has not banned the transportation of processed wood for local use and that the Ministry of Agriculture, Forestry, Wildlife, and Fisheries has even taken bids for the exploitation of 29 forest lots across the country. Citing the extra fees that the timber merchants are forced to pay because of the ban, the paper calls on the department to announce future transportation bans in advance.

In a report on the privatization of state-owned factories, the paper says that of the 59 factories put into operation since 1979, 42 have been rented, 10 have been sold to the local private sector and foreign investors, and seven remain under government control. The paper cites the director of the Industry Ministry's Planning Department as saying that many businessmen are interested in renting the remaining seven factories, but are hesitant because of the many preconditions and problems. For

example, they must hire all of the current workers in each factory and do not have the right to fire any of them, even if they break the rules or refuse to work. Also, they need to renovate and modify the factories and the machines—which are not in good condition—but the import of spare parts is time consuming and involves many procedures.

On the destruction of Cambodia's forests, the paper blames the government for granting logging concessions to foreign companies. It says that although a log export ban has been in effect since 30 March 1994, many foreign companies are still cutting Cambodian trees and transporting logs out of the forests. As an example, it cites a joint venture between Malaysia, Indonesia, and Singapore located at Prek Prasap Leu village in Prek Prasap District of Kratie Province. The paper says the government and the Ministry of Agriculture, Forestry, Wildlife, and Fisheries might not know about the activities of this company because even the Kratie provincial governor and Prek Prasap District governor have pretended not to hear about it. About 40,000 cubic meters of logs already cut by this company are being transported out of the province. Forestry officials have revealed that after the government imposed the log export ban, the company stored logs temporarily at Prek Phnoeu and is looking for other ways to get the logs out of Cambodia. The company plans to export a total of 90,000 cubic meters of logs in the 1993-94 period.

Indonesia

Sutresno on Outcome of NAM Meeting

BK0706025694 Jakarta ANTARA in English 1745 GMT
6 Jun 94

[Text] Jakarta, June 7 (ANTARA)—The ministerial meeting of the Nonaligned Movement [NAM] in Cairo has suggested Indonesia, as NAM chairman, to hold a dialogue with the group of seven industrialized countries (G7) when they meet in Napoli, Italy, chief executive of the NAM chairman Nana Sutresno has said.

"The G7 summit will soon be held in Napoli, and the Cairo ministerial meeting has asked NAM to continue making an approach to the forum by having the chairman of G77 [developing countries] and the chairman of the Cairo ministerial meeting to take part," Nana Sutresna said upon arrival at the Sukarno-Hatta Airport in Jakarta Monday after attending the NAM ministerial meeting in the Egyptian capital.

This means, he added, NAM has taken concrete steps in facing further developments on the basis of the breakthrough made by President Suharto in the course of his meeting with the G7 recently.

"This is obviously a commitment of whoever is to succeed Indonesia to meet the seven industrialized countries," he said.

President Suharto's meeting with the G7 member countries in Tokyo last year was considered a performance of high strategic significance in Indonesia's leadership of the 111-member Nonaligned Movement.

"The meeting has already been followed up by making the Tokyo resolutions a decision of the United Nations General Assembly. This is of strategic significance because it was the first time that the NAM's initiative has been supported by the entire international community, including the industrialized nations," Nana said.

One of the follow-up measures of the historical Tokyo meeting, he added, was the formation by the New York-based NAM coordinating bureau of a working group asking for the views of experts of the Geneva-based South Centre to see what has to be done by NAM in the implementation of the resolutions.

Minister Views Investment Situation

BK0706141094 Jakarta REPUBLIKA in Indonesian 30 May 94 p 3

[Text] Jakarta, REPUBLIKA—Taiwanese investors, who are said to be leaving Indonesia due to various problems, are in fact increasing their investment here. As of mid-May 1994, Taiwan even surprisingly replaced Hong Kong, which had long been ranked second in the list of foreign investors in Indonesia since 1967.

As of mid-May 1994, Taiwanese investment in Indonesia totaled U.S. \$8.68 billion, while Hong Kong's amounted to U.S. \$7.17 billion. Up to last April, Taiwan ranked third with U.S. \$5.25 billion worth of investment in 277 projects, while Hong Kong ranked second with U.S. \$5.98 billion worth of investment in 270 projects. Taiwan was ranked ninth five years ago.

Haji Ir. [academic title] Sanyoto Sastrowardoyo, minister of state for investment affairs and chairman of the Investment Coordinating Board, told reporters following a coordinating meeting on industrial and trade affairs on Saturday that the situation proved that the rumors about Taiwanese investors leaving the country were not true.

According to him, Japan remained in the top slot with U.S. \$17.37 billion worth of investment, representing about 23.2 percent of the total foreign investment from 1967 to 15 May 1994. Taiwan and Hong Kong ranked second and third respectively. The United States ranked fourth with U.S. \$6.99 billion worth of investment, Great Britain fifth with U.S. \$6.95 billion, the Netherlands sixth with U.S. \$6.06 billion, Singapore seventh with U.S. \$5.92 billion, South Korea eighth with U.S. \$3.76 billion, Australia ninth with U.S. \$1.99 billion, and Germany tenth with U.S. \$1.96 billion.

The Investment Coordinating Board approved 314 projects with domestic investment totaling 22.75 trillion rupiah from January to mid-May 1994, while only 156 projects with domestic investment totaling 8.8 trillion

rupiah were approved during the same period in 1993. There was a 257.3-percent increase in terms of the value.

The Investment Coordinating Board approved 131 foreign investment projects worth U.S. \$5.02 billion from January to mid-May 1994, while only 85 foreign investment projects worth U.S. \$3.33 billion were approved during the same period in 1993. There was a 150.6-percent increase in terms of the value. Sanyoto was optimistic that the investment target during the Sixth Five-year Development Plan will be met in view of the huge increase in the amount of investment.

Although a new investment policy is yet to be issued to replace Government Regulation No. 50/1993, there has been a tendency toward more investment.

He hoped that the new policy will spur further investment. Sanyoto pledged that a new regulation to replace Government Regulation No. 50/1993 will be issued soon.

He said that the government will approve several large projects in the next two months. "The interested investors have already put forward the large projects, and we are considering our approval," he said.

The large projects are power plants and oil refineries to be built by Hong Kong and Arab investors respectively. "I am optimistic that there will be more foreign investment projects in 1994 than in 1993," he said.

Sanyoto admitted that the realization rates of foreign and domestic investment projects remain low. The realization rate of foreign investment projects is just 50.8 percent, while that of domestic investment projects even is much lower.

During the coordinating meeting on industrial and trade affairs that took place in Jakarta on Saturday, the coordinating minister for industrial and trade affairs asked the minister of state for investment affairs and chairman of the Investment Coordinating Board to monitor more accurately obstacles facing investors that led to the very low realization rates. "This should be studied to raise the realization rates," Sanyoto quoted Hartarto as saying.

Government Announces New Investment Policy

BK0306115894 Jakarta ANTARA in English 1614 GMT 2 Jun 94

[Text] Jakarta, Jun 2 (ANTARA)—The Indonesian Government Thursday announced a new investment policy granting greater liberties to foreign capital in company share ownership, geographical spread and sectoral business lines.

Capital Investment Promotiom Minister Sanyoto Sastrowardoyo said under the new policy there would be two forms of foreign investment: joint ventures and companies 100 percent owned by foreigners or foreign corporate bodies.

Explaining the main provisions of Government Regulation Number 20/94 on share ownership in companies set up under the foreign investment scheme, he said Indonesian ownership of shares in joint ventures had now been fixed at a minimum of five percent.

Previously the ratio of share ownership in such ventures after 20 years of operation had to be 51 percent Indonesian and 49 percent foreign.

Under the new regulation foreign share-holders are still expected to transfer part of their shares to Indonesians after 15 years of operation but no specific percentage figure has been stipulated.

"If the Indonesian and foreign partners agree to a 50-50 shares division, that would be all right. If the foreign share-holders decide to transfer only one percent, that would be ok too," Sastrowardoyo said.

The new regulation further does away with the old requirement that to set up a 100 percent foreign-owned company, investors have to sink a minimum of one million US dollars in it.

Now the foreign investors only need to provide initial equity in an amount as required by the needs of their business.

The minister said 100 percent foreign investment projects may now set up in any part of the country, while previously they had been restricted to Batam Island or bonded industrial zones.

Joint ventures under the new policy are now permitted to operate in the production of goods or services deemed vital to the state and affecting the needs of the majority of the Indonesian people , Sastrowardoyo said.

They included ports, electricity production and distribution, telecommunications, shipping, aviation, drinking water, railways and mass media.

However, these areas remain closed to 100 percent foreign-owned companies.

Based on the new government regulation, companies set up under the foreign investment scheme will be given business licences valid for 30 years reckoned from the date they begin commercial production.

On the same occasion Industry Minister T. Ariwibowo said that after Indonesia allowed the entry of foreign capital, many neighbouring countries that used to be closed to foreign investors had followed suit.

"Therefore, we should review all our economic policies so that we can maintain the pace of our development effort," he said.

He pointed out the country's population growth should be anticipated by the creation of new job opportunities and to this end Indonesia should achieve an economic growth rate of six percent a year.

"Government Regulation Number 20/94 is aimed at setting a condition for the creation of new jobs that will in turn increase the national income through taxes," he said.

The government was also hoping that the new policy would accelerate the transfer of technology and management skill to Indonesians, Ariwibowo said.

Minister/State Secretary Murdiono told the same press conference, under its sixth five year development plan Indonesia plans to induce investments totalling rp [Rupiah] 660 trillion, 73 percent of which is expected to come from the private sector.

This was why the government was giving more opportunities to national as well as foreign businessmen, he said.

Interview With Organizer of Timor Conference

BK0706132894 Jakarta TEMPO in Indonesian 28 May 94 p 34

[Interview with Renato Constantino, organizer of conference on East Timor in Manila, by TEMPO correspondent Yuli Ismartono—date not given]

[Text] [Ismartono] How did the idea to hold the conference on East Timor first begin?

[Constantino] The idea to hold the conference was first hatched in Bangkok two years ago, namely during a conference called the People's Plan for the 21st Century [six preceding words in English], which was attended by hundreds of nongovernmental organizations from several countries. I must admit that it was [East Timor leader opposed to Indonesia] Ramos Horta's idea to hold the conference, but we are the organizers who prepared the agenda.

[Ismartono] Why do most of the participants belong to the Fretelin [Revolutionary Front of an Independent East Timor] group, who are against East Timor integration into Indonesia?

[Constantino] We have invited delegates from all political groups and made efforts to ensure that the conference will be attended by all sides, including the East Timorese who hold different political views. Among these people, there are two persons who were recently allowed by the Indonesian Government to return to Dili to visit their families. These people are certainly not Horta's friends.

Indeed, we have been accused of trying to discredit the Indonesian Government, but the allegation is not true. I made the preparations for the conference in an open manner. Last April, I held three-hour talks on the matter with officials of the Indonesian Embassy in Manila. We also invited them to send their representatives to the conference so they can also voice their views.

[Ismartono] What are the objectives of the conference?

[Constantino] The conference is aimed at turning attention to the East Timor issue from a government forum to a people's forum. We especially want to look at the human rights issue in East Timor. That is why we have invited various nongovernmental organizations. We also want to give a chance to all parties involved in the East Timor issue to voice their views in an academic atmosphere devoid of government threat or influence. Among the ASEAN countries, I believe only the Philippines can provide such an atmosphere.

[Ismartono] Has the Philippine Government ever tried to force you to cancel the conference?

[Constantino] Government officials have contacted us since last November, but they never tried to scuttle the conference and they only urged us to watch our step. As you know, preventing us from holding the meeting and voicing our views is against the Philippine Constitution. The Manila government is not stupid. They are only anxious to see that the conference should not be a one-sided affair with one party being put on the defensive. To counter this, I told them that we would invite officials from the Indonesian Embassy in Manila as well as government officials from Jakarta to ensure that the conference would be fully represented.

[Ismartono] Have you done this?

[Constantino] Not yet. When I made this proposal, Philippine officials became increasingly worried because they thought it would make things more complicated. Therefore, I decided not to extend the invitation to the Indonesian officials.

[Ismartono] Did you ever consider the impact of the conference on Indonesia-Philippines ties?

[Constantino] You mean bilateral relations will be strained? Well, it cannot be helped, but I hope that will not happen.

Military Says 'Terror Campaign' 'Foiled'

BK0706113394 Jakarta THE JAKARTA POST in English 30 May 94 p 2

[Text] Dili, East Timor (JP)—Government troops have foiled a terror campaign launched by separatists that was intended to coincide with a seminar on East Timor in Manila, the military says.

Colonel Johny Lumintang, military commandant overseeing security in East Timor, told journalists that the rebels attacked citizens' houses and "ambushed people in the streets".

He put the number of those involved at "no less than 300" but declined to explain how the troops had dealt with them.

He said the separatists meant to use the planned Manila seminar on East Timor to make the world aware of their existence.

"The clandestine movement's activities are confined to distributing anti-government and pro-Fretelin [Revolutionary Front for an Independent East Timor] (secession movement) brochures," Lumintang said.

Recently, a number of separatists held an anti-integration demonstration at Hotel Mahkota in Dili where a group of visiting foreign journalists stayed, he said.

He said some of the demonstrators were arrested.

Alatas Suffers 'Minor Heart Attack'

BK0806102394 Jakarta THE JAKARTA POST in English 1 Jun 94 p 2

[Text] Jakarta (JP)—Minister of Foreign Affairs Ali Alatas, who suffered a minor heart attack last week, is said to be recovering but will remain hospitalized for some time.

Alatas, 61, has been removed from Medistra Hospital's Intensive Cardiac Care Unit since Saturday to a private room, the hospital's public relations officer said yesterday.

Roos Jusuf Razak told THE JAKARTA POST that Alatas needed plenty of rest and was not in a condition to receive any visitors.

The minister was admitted to the hospital on May 22. Doctors then said he was suffering from fatigue and had to rest for the next two weeks.

"Mrs. Alatas has been trying to limit the number of visitors. Now, only the minister's family has been permitted to see him. The family apologizes for this," Roos said.

On Monday, however, President Suharto made a visit and became the only guest allowed in besides his family, she said.

Roos said that Mrs. Alatas, who has been accompanying her husband since he entered the hospital, has continually received guests and messages of sympathy from around the world.

A security guard at the hospital said Alatas' guests included officials from foreign embassies and government officials. He said Alatas also received "hundreds of bouquets" and more than a guest-book full of visitors.

Alatas' spokesman Irawan Abidin told THE JAKARTA POST there had not been any confirmation from the minister's doctors on when Alatas was permitted to leave the hospital.

"For now, we will keep to the doctor's initial prescription, in which he was ordered a two-week rest," he said.

Dr. Pattiasina of the Gatot Subroto Central Army Hospital who has the authority to give information on Alatas' health, refused to give details.

"He is doing fine," he said shortly, adding that he was given strict orders not to say more.

"I've been receiving reporters since last week, but I did not tell them anything," he said heroically. "In fact, I got tired of them and threw one out of my office."

Armed Forces Reshuffles House Members

BK0806055694 Jakarta THE JAKARTA POST in English 2 Jun 94 p 2

[Text] Jakarta (JP)—The powerful Armed Forces (ABRI) lost its best speakers, Major General Raja Kami Sembiring Meliala and Maj. Gen. Samsudin, when it withdrew 18 of its 100 appointees at the House of Representatives yesterday.

The two men have played a major role in not only improving the image of the House, which has been besmirched as a rubber stamp institution, but also in proving that ABRI, too, can become a democratic force.

They were among a handful army officers in the House who championed a more open political climate.

Together with Brigadier General Rukmini Kusumostuti Sujono and Maj. Gen. Syaiful Sulun, both removed in 1992, ABRI had an outspoken quartet who pioneered the democratization process from their seats in the House.

From the first days of their service in 1987, they barraged government officials with embarrassing questions on subjects ranging from the eviction of the poor to make way for development projects and the lack of service given by the bureaucracy to tax payers.

The legislators will be remembered as army officers who dared to express opinions which were not always in line with ABRI's official views.

Sembiring, a former Cendrawasih Military commander overseeing security in Maluku and Irian Jaya, was a voice for the poor displaced from their homes to make way for development projects.

His dismissal from the legislative body comes six months after he made critical remarks about the appointment of the first civilian, Harmoko, to the top spot of the government's Golkar [Functional Group] political grouping.

Suharto's choice of Harmoko was widely interpreted as a sign that the guard is changing in Indonesian politics and that more civilians will follow the information minister into areas once considered the provenance of the military.

Sembiring's reaction was a swift defense of ABRI's central role, saying that no one could become president without a military background.

As for Samsudin, he was transferred from his post as chairman of House Commission II [Roman numeral

number two] overseeing domestic political affairs to Commission VII on banking and industry, where his voice is rarely heard.

Rukmini, who retired from active service in ABRI is more popular among seminar attendants, where she is almost always a star speaker. And she has remained ABRI's faithful salesperson, defending the military's dual function.

She is also a member of the National Commission on Human Rights, which came to life last year.

Syaiful Sulun has practically stepped out of the political arena, making no public appearances since losing his legislative seat in 1992.

He stung the bureaucracy and stunned the public when during a nationally televised interview he complained that press criticism should be directed more at the executive than the legislative body.

Observers believe his unforgivable sin was his daring move to talk with the Petisi 50 [Petition of 50], a loose organization of former government and military officials that is harshly critical of the government.

The past two years have been difficult for the military, with their "dual function" in both security and politics coming under intense scrutiny.

As critics have increasingly questioned its relevance, government and military officials as well as political party leaders have been just as busy defending it.

They question the privilege because it is unclear who they represent.

"People criticize (the dual function) because they don't care to study the nation's struggle, especially the history of ABRI," President Suharto said last August two weeks before the incumbent House members were sworn in.

One hundred of the 500 seats in the House are reserved for the military in recognition of its role as the "stabilizing and dynamizing" force in the Indonesian politics forged by political leaders in the 1960s.

The remaining 400 seats are contested by the three sanctioned political organizations the government-backed Golkar, the Indonesian Democratic Party (PDI) and the United Development Party (PPP) through the general election.

The number of seats granted to the military has been at the center of debate. Outspoken politician Sri Bintang Pamungkas of the PPP has argued that while he agrees that ABRI deserves a place in the House, the number of seats should be reduced.

Laos

Cooperation Discussed With Drug Group

BK0806055494 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 8 Jun 94

[Text] Yesterday in Vientiane, a meeting took place between the Lao National Committee for Control and Suppression of Narcotic Drugs [LNCCSND] and a high-level delegation of the U.S. Government. The Lao People's Democratic Republic [LPDR] was represented at the meeting by Souban Salitthilat, deputy foreign affairs minister and chairman of the LNCCSND, while the U.S. side was led by Richard Lee Brown, director of the U.S. National Drug Control Policy Office attached to the U.S. presidential office.

At the meeting, the two sides reviewed achievements made by the Lao and U.S. Governments in implementing a project designed under the memorandum of understanding on cooperation in narcotic drugs issues signed by the two countries on 30 September 1989. The spirit of the memorandum has so far been translated into a comprehensive rural development project launched in Meuang Son District, Sam Neua Province, aimed at reducing production and trafficking in narcotic drugs. Since 1990, the Lao side's task force has seized 905 kilos of opium, 155 metric tons of marijuana, and over 34 kilos of heroin. Also, the Lao side officially set up an office for the Committee for Control and Suppression of Narcotic Drugs on 20 May 1994.

The U.S. delegation arrived in Laos for at noon on 7 June.

DPRK Premier Ends Visit, Departs 6 Jun

BK0706122894 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jun 94

[Text] A high-level DPRK delegation led by His Excellency [H.E.] Kang Song-san, premier of the Administrative Council, left Vientiane for home by special plane this morning after ending his four-day official, friendship visit to the Lao People's Democratic Republic [LPDR] with glorious success. A ceremony to bid farewell to H.E. Premier Kang Song-san and his delegation was held at the Government Guest Hall at Laksam in Vientiane at 0930. The ceremony was chaired by H.E. Prime Minister Khamtai Siphandon. Present at the ceremony were H.E. Khamphoui Keoboualapha, deputy prime minister and chairman of the Planning and Cooperation Committee; H.E. Somsavat Lengsavat, minister of foreign affairs; and ministers, deputy ministers, and many high-ranking cadres. Ponmek Dalaloi, Lao ambassador to the DPRK, also attended.

During the four-day visit to the LPDR, H.E. Premier of the DPRK Administrative Council and his delegation held talks with H.E. Prime Minister Khamtai Siphandon and our Lao delegation. In the talks, the two sides

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informed each other of the economic and cultural situation in their respective countries. They reached unanimity in assessing the comradely and fraternal relations and cooperation between the two countries in the past as well as under the new circumstances. The two countries pledged to improve increasingly the relations of mutual interests. In addition, the two sides signed an agreement on exchanges in the economic, cultural, technical, agricultural, and other fields. Signing the agreement for the Lao side was H.E. Khamphoui Keoboualapha, deputy prime minister and chairman of the Planning and Cooperation Committee, and signing for the Korean side was H.E. Yi Song-tae, chairman of the State External Economic Affairs Committee.

The high-level DPRK delegation also paid a courtesy call on H.E. Nouhak Phoumsavan, president of the LPDR, at the Hokham Presidential Office, and visited some production establishments in Vientiane Municipality and Vientiane Province.

At the farewell ceremony at the Government Guest Hall, H.E. Kang Song-san, premier of the DPRK Administrative Council, expressed thanks to H.E. Prime Minister Khamtai Siphandon and delegation for the warm welcome accorded him and his delegation in a friendly and comradely atmosphere filled with mutual understanding.

Foreign Minister Discusses DPRK Visit

BK0706112594 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jun 94

[Interview with Foreign Affairs Minister Somsavat Lengsavat by unidentified station correspondent on the outcome of the four-day official visit to Laos by Kang Song-san, premier of the Administrative Committee of the DPRK; place and date not given—recorded]

[Text] This is the first visit to our country by the premier of the DPRK. In the past, it was the DPRK president who paid a visit to our country. Though the visit was short, it brought about good results. Premier Kang Song-san himself said before his departure that he was very satisfied with the outcome of his visit on this occasion. He also expressed thanks to our party and government leaders as well as our people for the warm welcome accorded him and his delegation in an honorable manner throughout the visit.

Following the visit, our two sides have further understood each other's situation. We also exchanged views on international and regional issues of common interest. Our Lao side also has come to understand further the DPRK's views on the problem of building the Korean peninsula into a nuclear-free zone of peace and stability. Noteworthy is that following the visit, the two sides have unanimously agreed to cooperate in the economic, scientific, and technical fields in the immediate future. Regarding economic cooperation, Comrade Premier Kang Song-san himself expressed the determination of the Korean side to do its utmost to cooperate with the

Lao side to bring about fruitful achievements. At present, the DPRK has sent a number of experts to Laos to collect information on climatic and other fields in order to facilitate fruitful achievements in the economic cooperation between the two countries. We are convinced that the cooperation will be favorably developed in the future. Specifically stipulated in the signed agreement is the cooperation in agricultural, the integrated wood processing, and the mining exploitation fields.

PASASON Editorial Hails 'Success' of Visit

BK0706123094 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 7 Jun 94

[Editorial from the 7 June PASASON: "Hail Success of the Visit to Our Country by Premier of the DPRK Administrative Council"]

[Text] At the invitation of Comrade Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], Comrade Kang Song-san, premier of the DPRK Administrative Council, led a high-level delegation from the DPRK to pay an official, friendship visit to the LPDR from 3 to 6 June. Comrade Kang Song-san and his delegation were accorded a warm welcome of comradeship and fraternity by Comrade Prime Minister Khamtai Siphandon and Lao people in all places the delegation visited.

During the visit, Comrade Kang Song-san and his delegation paid a courtesy call on Comrade Nouhak Phoumsavan, president of the LPDR. The call proceeded in an atmosphere of profound cordiality and friendship. The DPRK delegation also visited various places of economic and cultural significance in the capital and Vientiane Province. Official talks between a high-level LPDR delegation of led by Comrade Khamtai Siphandon and the high-level DPRK delegation led by Comrade Kang Song-san were held at the Prime Minister's Office in Vientiane. In the talks which proceeded in an atmosphere of close friendship and profound mutual understanding, the two sides informed each other of the outstanding situations in their respective countries. They also expressed their definite intention to further promote, expand, and strengthen, ever more fruitfully, the friendly relations and cooperation in the economic and other fields. Noteworthy is that during the visit, the two sides signed an agreement on the economic, scientific, and technical cooperation between the Lao and Korean Governments. The agreement was signed in furtherance of the implementation of the protocol on economic, scientific, and technical cooperation between the two countries. The protocol was signed in Pyongyang on 10 December 1993 on the occasion of the visit to the DPRK by our Lao high-level party and state delegation led by Comrade Prime Minister Khamtai Siphandon. Stipulated in the said agreement are various DPRK cooperation projects of various fields in the LPDR, such as the cooperation projects in the areas of agriculture, mining industry, wood processing industry, and the construction

of hydroelectric works which will begin in certain provinces in the northern region and in the plain of the central region in the subsequent years.

The success of this visit to the LPDR by the premier of the DPRK Administrative Council has brought about new steps of development in the long-standing, good relations and cooperation, in particular in the economic field and between the parties, states, and peoples of Laos and Korea. The Lao people would like to wholeheartedly hail the glorious success of the high-level DPRK delegation in this visit to the LPDR. The Lao people pledge to do their utmost to, together with the fraternal Korean people, contribute to fruitfully promoting and expanding and increasingly developing the existing good, friendly relations and cooperation between the parties, states, and peoples of Laos and Korea as well as to translating into reality the agreement on the economic, scientific, and technical cooperation. This will bring about benefits to the two peoples of Laos and Korea and contribute to promoting and establishing peace, stability, friendship, and cooperation among various countries in the Asia-Pacific region and the rest of the world.

Philippines

Ramos Leaves ABB Leader's Release to Court

BK0706081194 Quezon City Radio Filipinas in English
0230 GMT 7 Jun 94

[Text] Malacanang [presidential office] is keeping a hands-off policy on the issue of whether or not to release captured communist leader Felimon Lagman. President Ramos says he leaves it up to the court to decide whether or not to free Lagman.

He made his statement during an audience he gave to the family of slain Police Chief Inspector Timoteo Zarcal. Zarcal was killed on 7 May allegedly by the rebel hit squad Alex Boncayao Brigade [ABB], which Lagman is the alleged head.

Defense Secretary Renato De Villa said earlier the government was not inclined to unilaterally release Lagman as it did to another communist leader Wilma Tiamzon. Tiamzon had been freed on humanitarian and medical reasons.

Several sectors including Congress have asked for Lagman's temporary release but military, police, and justice authorities said they were still evaluating Lagman's case in terms of security.

Davao City Identifies Preferred Investment Areas

BK0306131994 Manila BUSINESS WORLD in English
31 May 94 p 10

[By Bernie C. Perez]

[Text] Davao City—The Davao City Government, in coordination with the Private Investments and Trade

Opportunities-Philippines (PITO-P), has identified the list of preferred investment areas (PIAs) to further lure local and foreign businessmen to the area.

BUSINESS WORLD learned PIAs included under the "Invest in Davao" project are classified into five major groupings, namely, agri-business, tourism and recreation, manufacturing and assembly, transshipment infrastructure, and property development.

The Invest in Davao project is a short-term (three years) development scheme for the city. It has a fund of P37 million [Philippine pesos] of which P20 million was pledged by the city government and P17 million from PITO-P.

The Service Group, a Washington-based consultancy group, was also used to conduct the study or assessment on the investment climate in Davao.

Being the biggest producer of agricultural products, a reason Davao was dubbed as the "Fruit Basket of the Philippines," the city plays an important role in enhancing the agri-based industry.

Agri-business development in the area focuses on fruit processing using dehydration, vacuum or spray technologies, and canned specialty vegetables.

The potential is large for the agriculture and agri-based industries in Davao and in the whole of Mindanao due to the relatively favorable climate throughout the year, available skilled and professional manpower supply, high literacy rate, and low cost of labor.

Davao City's role as the regional commercial center will be boosted anew with Mindanao gearing up to become one of Asia's tourist destinations.

Records show that within six years, tourist arrivals in Davao jumped to 193,000 last year from 150,000 in 1987, a reason to develop international standard hotels and beach resorts, sports complexes, recreational facilities such as golf courses, and marine/wildlife parks.

The manufacturing sector earmarks potential investment areas in garments, footwear, toys, bulky kitchen and house wares, among others. There is also a need to invest in common and bonded warehouses to support agricultural productivity.

Roberto Arquiza, Invest in Davao assistant project manager, told BUSINESS WORLD there is a need to develop the manufacturing industry in Davao. "In spite of the rapid progress of the area (Davao), most of the goods are still coming from Manila," he said.

Councilor Aristeo Albay, chairman of the city council urban planning and development committee, added, "It's about time that Davao develop its manufacturing industry so that it will be less dependent from Manila."

In terms of transshipment infrastructure, there are seven private piers operating in Davao. Four investors (two

Filipino shippers, a Greek firm, and a British company) have also shown interest to set up shipping operations in Davao.

The Greek shipping company, Hellenic Shipyard of Perama S.A., is also planning to improve the maritime school by upgrading the teaching facilities.

With the rise in industries and business activities in Davao City, investments are needed to finance the construction of more commercial office buildings, residential villages, industrial estates, and convention/seminar centers.

As a come-on for prospective investors, the city government included in the investment priority plan provisions for fiscal and non-fiscal incentives.

These privileges are in addition to incentives granted by law and the Local Government Code.

The incentives provide that a new enterprise will be fully exempt from mayor's permit fees, building permit fees, and local business tax imposed by city ordinances. The incentives are good for two years from the start of commercial operation.

There will also be tax reductions in the gross sales or receipts taxable base for a given period after a tax holiday.

Deductions

The following deductions for business sales taxes will be allowed as deductions from gross receipts during the preceding calendar year for three years starting from the date of registration:

- a non-cumulative operating loss equivalent to 25 percent of losses of the preceding year as indicated in the financial statement submitted to the Bureau of Internal Revenue;
- 20 percent of expenditures from annual wages paid to newly hired employees who are residents of Davao City;
- 25 percent of expenditures on infrastructure and/or facilities built by investors which are accessible to and used by the public; and,
- 25 percent of expenditures on human resource/skills training based on a training program.

There are also incentives on real property tax (RPT) such as tax exemption for two years from the start of commercial operation, reduced RPT rates for new investors for two years, and two-year exemption on machinery and equipment used for pollution control.

Policemen Top List of Human Rights Abuse Cases

BK0806051594 Manila THE MANILA CHRONICLE in English 6 Jun 94 pp 1, 2

[Text] Policemen maintained their ranking as the top suspects in human rights violations nationwide although a decline in the number of cases has been noted.

Policemen were named as the alleged perpetrators in 118, or 51 percent, of 232 human rights cases filed before the Commission on Human Rights (CHR) from January to March 1994, a CHR report revealed yesterday.

The report approved for release by Human Rights Commission Chairman Sedfrey Ordonez, said local officials and employees placed a far second for being charged in 29 or 12.5 percent of the cases. They displaced the military who were charged in 19 or 8.2 percent of the cases.

The CHR earlier ranked the police as the top suspects in human rights complaints last year, with the military placing a far second and local officials and employees a far third.

But Interior and Local Government Undersecretary Alexander Aguirre reacted to the report, saying the number of human rights cases against policemen merely reflected the nature of police work, which require the arrest, detention, maiming or killing of crime suspects in defense of public safety.

The latest CHR report also noted a decline in the incidents of human rights violations actually occurring this year, from 75 in January to 50 in February and 33 in March.

Of these, 22 were murder, homicide and execution cases while the rest were illegal arrests and detention (17), rape (4), disappearances (3), torture (1) and other complains (115). Other suspects in human rights cases were civilians (11 cases), workers (6), professionals (4), paramilitary forces (3), New People's Army (2), other rebel groups (1) and other sectors (39).

Metro Manila topped the list of regions with the highest number of human rights cases with 48, followed by Central Luzon and Eastern Visayas (40 each), Southern Mindanao (38), Western Visayas (37), Central Visayas (32), Cagayan Valley and Western Mindanao (29 each), and Central Mindanao (nine).

Civilians topped the list of human rights victims, being named as such in 53 cases, followed by workers (41) and children, youth and women (29).

Meanwhile, the CHR announced it has released over P [Philippine pesos] 1 million in financial assistance to 137 human rights victims in the first quarter of 1994.

Ordonez told reporters most of the money, or P970,000 went to 97 beneficiaries as survivors' benefits, while P75,000 went to the medical needs of 15 beneficiaries.

P4,340 went to the incidental and medical expenses of 23 others and the remaining P6,000 to two persons availing of the government witness protection program.

Government Reports on First Quarter Surplus

BK0306142794 Manila THE MANILA CHRONICLE
in English 31 May 94 pp 1, 2

[Text] Despite a projected P30.6 billion [Philippine pesos] deficit for 1994, the national government improved on its fiscal position in the first quarter of the year with a P13 billion surplus in actual revenues and disbursement.

This was made possible by a P1.3 billion increase in revenue collections and a savings of P11.7 billion from actual expenses during the period.

Statistics from the Bureau of Treasury showed that as of 30 April 1994, actual collections reached P113.8 billion or P1.3 billion more than the P112.5 billion in programmed revenues for the first quarter.

Collections by the Bureau of Customs were P1.8 billion higher than the P25.2 billion it expected to generate.

Other revenue agencies also increased their take by P1.8 billion to P13.5 billion from the programmed P11.7 billion.

But the Bureau of Internal Revenue (BIR) failed to realize its target revenues of P68.2 billion for the first quarter of the year, generating only P66.5 billion, or a P1.7 billion shortfall.

The Bureau of Treasury also fell last 16 May following the approval of the expanded VAT [value-added tax].

The national government deficit according to the new budget proposal will be P16.4 billion, compared to the P49.2 billion estimate made last December.

Under the new program, the national government is even expected to have a P15.5 billion surplus but would have to resort to borrowings to absorb the P31.9 billion liabilities of the old Central Bank.

The December estimates had the national government in the red by P22.7 billion to finance operations and would have to raise P26.5 billion more for the rehabilitation of the Bangko Sentral ng Pilipinas [Central Bank of the Philippines] (BSP).

The government deficit is expected to reach P30.6 billion by year's end, with P4.7 billion from daily operations and P25.9 billion to save the BSP.

Three adjustments in the fiscal program were made in reducing the proposed budget.

—Reduction of the debt amortization estimates to consider the rollover of P36.3 billion in FRTNs [floating rate treasury notes] and Treasury bills which were previously assumed to be redeemed in 1995.

—Scaling down of the budgetary support to government corporations in consonance with the policy of reducing assistance of GOCCs [government owned or controlled corporations] by 10 percent in 1995.

—Absorption into the Internal Revenue Allotment of the provisions for the Magna Carta of Public Health Workers devolved to local government units.

The biggest cut was for debt appropriation, followed by the special purpose funds, subsidy to government corporations, funds for flagship projects, department/agencies budget and support for local government units.

In the December estimate, the government was to appropriate P155.1 billion for debt servicing but this was reduced to P109.4 billion. This year's budget for servicing is P117.8 billion.

The compensation adjustment fund, initially earmarked at P25 billion so government could dramatically increase wages of civil servants, was slashed by P3 billion in the new proposal.

Despite the cut, appropriations for salary increases were still at least 300 percent higher than the P9.3 billion allotted for 1994.

Enriquez said only five departments—Science and Technology, Tourism, Energy, Budget and Management, and HUDCC (Housing and Urban Development Coordinating Council)—submitted budget proposals within the ceilings approved by the president and the Cabinet.

Of the total budget proposals, P30.6 billion were in excess of the prescribed ceiling.

Preliminary results of the technical budget hearings showed that the education department would still be given the biggest slice of the budget with an appropriation of P41.7 billion, P5.1 billion less than the agency's proposal of P46.8 billion.

Public works and highways was allotted P23.7 billion (P5.8 billion less); national defense P23.1 billion (P2.4 billion less); and, interior and local governments P14.7 billion (P1.8 billion less).

Enriquez told the president that proposals in excess of ceilings which were already approved by the Cabinet had made the preparation of the budget more difficult.

"Unless the departments voluntarily reduce their proposals, DBM [Department of Budget and Management], in consultation with the president, will have to assert its authority to maintain the approved budget program," he said.

"Agencies who submitted proposals grossly in excess of the ceilings cannot expect favorable action on their requests," he added.

SOUTHEAST ASIA

Thailand**Ten-Point Policy on Khmer Rouge Outlined**

*BK0406105394 Bangkok THE NATION in English
4 Jun 94 p A7*

[Text] The Thai army yesterday publicly outlined a 10-point policy to back up its claim that it no longer supports the Maoist guerrilla group.

The army's do's and don'ts policy on Cambodia includes absolutely no contact at any level with the Khmer Rouge and absolutely no support to them, according to Lt Gen Chettha Thanacharo, the commander of the First Army Region.

He said it also strictly prohibits supplying of arms to all sides in Cambodia.

Lt Gen Chettha, who oversees security along Thai-Cambodian border, briefed reporters on the policy in response to a fresh charge from the U.S. State Department concerning Thailand's relations with the Khmer Rouge.

He said under the policy arms seized from the Khmer Rouge would not be returned to the rebel group. Arms belonging to the Cambodian army would be returned via the Thai Foreign Ministry, he said.

The regional army chief said Army Commander in Chief Gen Wimon Wongwanit had ordered that the policy be strictly observed in order to refute any accusations that Thailand still supports the Khmer Rouge or any other side in Cambodia.

Lt Gen Chettha spelled out the policy after the U.S. State Department questioned Thailand about reports that it was still backing the Khmer Rouge. The charge was repeated in an article in THE WASHINGTON POST written by former U.S. ambassador to Thailand Morton Abramowitz who said that Thailand's stubborn support for the Maoist group had helped prolong the war in Cambodia.

Lt Gen Chetha said Cen Wimon had issued firm instructions to all his subordinates demanding full adherence to the policy. "It is being adhered to one hundred per cent," Chettha said.

The policy has been circulated to government agencies concerned, he said. It was formulated in February after the accusation by Cambodia's first Prime Minister Prince Norodom Ranariddh and Foreign Minister Prince Norodom Sirivut that Thai Army tanks had been spotted in the Khmer Rouge zone.

"We have a clear policy. We have come to the end of our efforts. There is nothing else to be afraid of. But doing more is impossible," Gen Chettha said.

The accusations began in mid-February after the Khmer Rouge recaptured Anlung Veng which had been briefly taken over by Phnom Penh troops. The accusations

escalated into a war of words between Bangkok and Phnom Penh after the Khmer Rouge retook Pailin from Cambodian government troops in March.

The army's policy toward Cambodia as outlined by Lt Gen Chettha yesterday: —Non-interference in Cambodia's internal affairs;

- Absolutely no support for the Khmer Rouge;
- Ban of arms supply to Cambodia;
- Absolutely no contact with the Khmer Rouge but liaison with the Cambodian government is permitted;
- Weapons seized from the Khmer Rouge are to be impounded;
- Weapons belonging to the Cambodian government are to be returned through the Foreign Ministry;
- The closing and opening of Thai-Cambodian border checkpoints is strictly under the control of the Interior Ministry;
- The army will provide support for border security only on the instructions of the Interior Ministry;
- All military units must strictly observe the above-mentioned policy; and
- The policy must to be seriously enforced to counter any further accusations against Thailand.

Deputy Foreign Minister Surin Phitsuwan said yesterday that all the accusations heaped against Thailand were part of an attempt to divert attention from the real cause of problems in Cambodia.

Surin said he had clarified Thailand's position during his meeting with the new French ambassador.

Surin Province Trading Point Reopens

*BK0406113194 Bangkok SIAM RAT in Thai 4 Jun 94
p 4*

[Text] According to a correspondent's report, on 2 June Surin Deputy Governor Phanat Sakuntanat signed an announcement opening the border trading point at Chom Pass, Kap Choeng District on 4 June. This trading point has been closed and reopened several times due to fighting in nearby parts of Cambodia.

Meanwhile, a source familiar with the Cambodian border in Surin Province noted that kidnapping of Thai citizens for ransom was mostly the result of business blackmail, not hunger. The problem of Cambodian bandits robbing Thais existed long before border points were opened for trading.

Surin Renews Objections for Arms to Cambodia

*BK0606040894 Bangkok THE NATION in English
6 Jun 94 p A7*

[Text] Deputy Foreign Minister Surin Phitsuwan has reaffirmed to France the government's policy that supplying weapons to Cambodian government troops is not the solution to ending Phnom Penh's conflict with the Khmer Rouge.

Surin met French Ambassador Jacques Rummelhardt on Thursday.

Three Western countries—France, the United States and Australia—are considering a Cambodian request to provide military aid, including weapons, to help fight the Khmer Rouge.

"During the discussion, I inform the French envoy that the Thai position towards the request is that the supply of weapons will not end the Cambodian conflict and it is not a suitable solution," said Surin.

Members of the Cambodian government have reiterated calls for weaponry to attack the guerrillas after round-table talks in North Korea, called by King Norodom Sihanouk, failed to reach a settlement.

The participants agreed to set up a joint committee which is scheduled to meet for the first time on June 15 in Phnom Penh.

First Prime Minister Prince Norodom Ranariddh declared at Pochehtong airport upon arrival from Pyongyang that war between the Cambodian government and the Khmer Rouge is unavoidable. Cambodia's foreign minister, Prince Norodom Sirivut, has toured England and France, reportedly to request weapons.

Meanwhile, a high-ranking government source yesterday confirmed reports that Malaysia has supplied munitions to Cambodian troops.

"It is widely known in Phnom Penh that Kuala Lumpur has supplied munitions to Cambodia in recent months," he said.

However, the source said, Malaysian Prime Minister Mahathir Mohamed had told Prime Minister Chuan Likphai recently that supplying weapons was not the way to end Cambodia's civil war.

The source noted that Western countries which have been approached for aid are having second thoughts.

"Military aid does not mean only weapons, but also a military training programme for the ill-disciplined Cambodian troops in various fields," he said.

The same source said that the West had no assurance that weapons they supply would not be sold by the underpaid Cambodian troops, even to the Khmer Rouge. Thailand has also expressed deep concern that the weapons would be brought across the border onto its soil.

The United States sent representatives to Phnom Penh last month to observe the situation there before making any decision on the aid request. The Phnom Penh Post reported the U.S. has, however, already decided to send about 90 mine removal experts and engineers to Cambodia, and that an advanced team had already arrived.

Navy Chief Says No Interference in KR Fighting

BK0806065794 Bangkok Radio Thailand Network in English 0000 GMT 8 Jun 94

[Text] Commander-in-Chief of the Royal Thai Navy Admiral Prachet Siridet says the United States has been accusing Thailand of supporting the Khmer Rouge [KR] based on old information and records.

Adm. Prachet says that Thai Armed Forces have abided by the Government policy. He says: While the Thai Government maintains strict noninterference policy in armed conflicts in Cambodia, the Armed Forces have observed the policy.

ASEAN Urged Not To Water Down ILO Safeguards

BK0806105394 Bangkok THE NATION in English 8 Jun 94 p A10

[Editorial: "ASEAN Must Not Water Down ILO Safeguards for Workers"]

[Text] As the International Labour Organization opened its 81st annual conference in Geneva yesterday, ASEAN officials were preparing to table a resolution that would condemn Western attempts to link trade with labour standards.

The resolution will also call on the UN agency to review some of its labour standards which ASEAN delegates claim are not based on norms and values of developing countries.

But ASEAN's most urgent concern is to win an assurance from the ILO that it will strongly resist the introduction of new conditions binding social clauses and ILO labour standards with market accessibility.

The issue of workers' rights has become particularly sensitive for ASEAN countries, most of which are on a US watchlist for alleged labour violations.

'Social dumping'

At March's final meeting of the General Agreement of Tariffs and Trade (GATT) in Marrakesh the issue almost scuttled the signing of the new World Trade Organization as developing nations fought off a US and French bid to include labour rights in the new global trade treaty.

The basis of the West's complaint is "social dumping"—a belief that the lower wages paid to poorer people in developing countries means that firms are able to compete unfairly against employers in more advanced lands, who must provide more benefits for their workers. ASEAN leaders, whose countries have prospered as sources of cheap labour, claim this as a disguised form of protectionism.

ASEAN officials were correct to resist the insertion of social clauses in a world trade pact because they are

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protecting the right of their workers to sell their labour on the international market, much in the same way as the West seeks open markets in the East to sell its goods and services.

But what is alarming about the ASEAN push is that the regional bloc also seems intent on watering down international safeguards for the protection of workers' rights including unionization, safety requirements and basic wages.

Thailand, which has traditionally been more deferential in dealing with Western pressure over worker's rights than neighbours like Malaysia and Singapore, is becoming more and more vocal on the issue.

While it is encouraging to see Thailand become more assertive in the international arena it is unfortunate it has chosen an area where it has such a bleak record. After coming off a year in which it posted a record for the number industrial accidents including the world's worst ever factory fire, it would have been hoped Thailand would be more circumspect about lending its support to an attempt to lower safeguards for the rest of the world's workers.

Only last Tuesday, the ILO denounced forced child labour and prostitution in Thailand, and urged the government to take steps to end it.

The report, based on an ILO mission here last September, said children in Thailand continued to be forcibly recruited for work in factories, sweatshops or brothels in Bangkok and in the provinces, adding: "...illegal shops exist by the thousands".

"The situation is often linked to forced or false recruitment, deception and trafficking," it said. "Children are exploited because they are young and helpless, they are deprived of the right to lead a normal childhood, deprived of education, deprived of a future."

The same day as the report came out, police raided a Thonburi sweat shop where 30 girls, some of whom had been there four years, were being forced to work 16 hours a day without pay. On being freed, the girls told tales of being beaten regularly and fed rotten food.

Venal and brutal employers

Clearly there is much that needs to be done to curb the excesses of venal and brutal Thai employers.

Last week, the United Nations singled out Thailand, along with a dozen other countries, for the tremendous development it had achieved over the last three decades. Much of that success has been due to the fact that Thai workers were willing to toil harder and longer for less pay and in worse conditions than their counterparts in other part of the world. Thai employers have grown rich beyond all expectations and the lives of workers have also improved but there is still much more than can be done before Thailand can be proud of its labour record.

The government is right to take action to protect the Thai economy from dubiously-intentioned foreign efforts to constrain it. But it should not use this position as a pretext to deny Thai workers the rewards and conditions they have labored hard to earn or to weaken the little protection ILO standards offer the rest of the world's workers.

Further Reportage on Iranian Arrests

Official Comments

BK0706135894 Bangkok Radio Thailand Network in Thai 1200 GMT 7 Jun 94

[Text] Permanent Secretary of the Interior Ministry Ari Wong-araya granted an interview to newsmen at Government House this afternoon. Asked about the Iranian Government's protest, through the Thai ambassador to Iran, about Thailand's arrest of Iranians suspected of preparing and transporting C-4 explosive for sabotage at the Israeli Embassy, the permanent secretary said it was difficult for him to comment since this might affect relations. Besides, the permanent secretary said he still knew nothing about the protest.

Asked whether it would be possible for Iranian diplomats to meet the suspects, he said this would be up to the police. He said the diplomats can call on the suspects to provide them with a lawyer should he be arrested. However, he said, he was not sure if there really had been a protest as he had seen nothing to that effect.

Ari said legal proceedings against the suspects will be based on Thai law because the incident took place in Thailand. He said the suspects might not be granted bail if there is no guarantee of security. He said that under Thai law, Iran cannot seek extradition for trial in Iran. He is confident the police will adhere to Thai law, particularly as the case is considered an important one involving national security. He noted that the police have followed quite proper and thorough procedures. The police are speeding up the investigation for the result of the case.

Minister Denies Protests

BK0806042594 Bangkok BANGKOK POST in English 8 Jun 94 p 1

[Excerpt] Deputy Foreign Minister Surin Phitsuwan yesterday denied reports Tehran had protested the arrest of three Iranians suspected of involvement in the recent attempt to blow up the Israeli Embassy.

Iran's Foreign Ministry "invited" the Thai ambassador to Tehran for a meeting "to let him know" it wanted Iranian diplomats stationed in Bangkok granted access to visit the suspects, said Mr. Surin.

"There was no accusing, no anger or protest," he said. The Thai Foreign Ministry has conveyed Iran's message to the Interior Ministry, said the deputy minister.

The three suspects—Hossein Shahriari Far, Babak Taheri, and Basr Kazemi are being held at the police training school in Bang Khen District, northern Bangkok. [passage omitted]

Official Says Khun Sa Target of Crackdown

BK0406115694 Bangkok BANGKOK POST in English
4 Jun 94 p 6

[Text] The suppression drive launched by the Burmese government in an area opposite Chiang Rai Province is directed against opium warlord Khun Sa's Muang Tai Army (MTA) forces, not democratic groups in Shan State, Office of the Narcotic Control Board secretary-general Chawalit Yotmani said yesterday.

Pol Gen Chawalit said Khun Sa's struggle was not a democratic cause.

He said narcotics traffickers who were recently arrested in Chiang Mai Province and had ammunition seized were Khun Sa's subordinates and should not be called "fighters for democracy".

The ammunition was intended for exchange with drugs, he said, adding he had no idea where they came from.

Academics have proposed that measures be put in place to control the ethics of politicians, but Pol Gen Chawalit thought the moral standards of MPs could improve gradually.

He said it was beyond his responsibilities to comment on what should be done to prevent politicians from becoming involved in the narcotics trade.

He also said the committee responsible for drafting the anti-money laundering bill had already met once and would meet again this Monday.

It was agreed at the first meeting that the legislation should deal initially with "dirty money" acquired through the narcotics trade, he said.

Editorial Urges Attention to Foreign Policy

BK0606112794 Bangkok THAI RAT in Thai 6 Jun 94 p 3

[Editorial: "Weak Diplomacy"]

[Text] Thailand's image in the eyes of foreign countries appears to have suffered a great deal. There is the internal pressure created by the hunger strike and associated protests. Regarding external pressure, the International Labor Organization [ILO] condemns child labor and child prostitution, and the United States views Thailand suspiciously concerning support for the Khmer Rouge in its fight against the Cambodian Government.

We devoted our attention to the United States for 40 years during the cold war by standing alongside it during three wars in Korea, Indochina, and the Persian Gulf. The U.S. suspicion could strongly impact on Thailand

and indicates its inclination to support the Cambodian Government to suppress the Khmer Rouge. This situation will result in prolonged fighting and make Thailand suffer.

The U.S. Department of State's position, as expressed through its spokeswoman Christine Shelley, clearly shows the victory scored by Cambodia's diplomacy—its ability to persuade the superpower, which is an ally of Thailand, to believe that Thailand was giving support to the Khmer Rouge fighting machine. On another angle, the fact that the U.S. Department of State did not believe that Thailand did not support the Khmer Rouge and the fact that the ILO blatantly criticized Thailand at the Geneva conference demonstrated that Thai diplomacy has failed completely in international circles.

We urge the government to give higher priority to foreign policy as well as to all forms of foreign contacts and efforts to improve our national image. The prime minister himself must visit major countries more frequently. It is clear that it is not enough to let the foreign minister go it alone. We must accept that our diplomacy is weak.

It is worth noting that the United States currently views Thailand with little satisfaction. This is clearly reflected in the attitude of U.S. envoy Lambertson and by former envoy Abramowitz whose article in THE WASHINGTON POST was directly critical of Thailand. In addition, U.S. Secretary of State Warren Christopher may criticize Thailand while he is here to attend the upcoming ASEAN meeting.

We must try our utmost to convince the world that Thailand does not support the Khmer Rouge. We, however, should not prevent the United States from helping the Cambodian Government if that is what it wants to do. As a junior friend, we should only remind it of the consequences of falling into a quagmire as it once did in the Vietnam war.

Minister Discusses Investment With UK

BK0406110794 Bangkok Radio Thailand Network in English 0000 GMT 4 Jun 94

[Text] British business people have shown increased interest in investing in Thailand. British Deputy Trade Minister Richard Needham and leading business executives from 33 companies paid a courtesy call on Minister of Industry Major General Sanan Khachonprasat this week during their visit here.

Industrial development and projects for investment are focused upon by the British delegation. The industry minister says many British people are investing in Thailand in an increasing number. The investments are mainly in textile, packaging, processed food, and construction. He also says that British business people are keenly interested in car part industry for exports to Indochina. Investments in petroleum industry and environmental engineering also featured prominently in their discussions. The minister says that Thailand is becoming

an industrial base to Indochina and ASEAN. The investments of British business people will benefit Thailand in industrial development and technology transfer.

Official Admits Errors in AIDS Projects

BK0506104794 Bangkok THE SUNDAY POST in English 5 Jun 94 p 2

[Text] Deputy Permanent Secretary for Public Health Chamrun Mikhanon says he accepts that Thailand has made mistakes in handling AIDS projects in the past.

He was speaking at the closing ceremony of the four-day Technical Cooperation among Developing Countries (TCDC) International Symposium for Capacity Enhancement in Primary Health Care and HIV/AIDS Management, attended by 24 countries.

"We are confident we will not repeat those mistakes," Dr Chamrun said.

Dr Chamrun was referring to a lack of know-how and proper methods for handling the spread of the deadly disease.

He agreed that developing countries must share technical know-how and resources.

"We are looking forward to convincing government and non-government organisations to take necessary action to strengthen management, technical cooperation internally and internationally and mobilise experts," he said.

The meeting focused on four main issues, distribution of condoms, integration of HIV/AIDS care with primary health care, monitoring and evaluation and behavioural change.

The participants also noted that funding from overseas for HIV/AIDS programmes is usually short-term and it was difficult for a country to sustain after the end of outside assistance.

For evaluation and implementation purposes, additional funding is necessary.

New Groups Side With Hunger Striker

BK0306133894 Bangkok THE NATION in English 3 Jun 94 pp A1, A4

[Text] THE political scene grew more volatile yesterday after prominent figures formed a task force to back hunger striker Chalat Worachat, with strong support from hardliners in the Phalang Tham Party.

An unlikely alliance also appeared to be taking shape between the newly formed "Thai Political Reform Organization" and opposition parties, which the pro-democracy movement toppled from power in the 1992 uprising.

The second biggest opposition party, Chat Phatthana, sent a representative to attend the inauguration at Thammasat University of the Thai Political Reform Organization (TPRO), which brought together leading pro-democracy activists who called themselves "Friends of Chalat".

A Phalang Tham hardliner, who did not want to be named, claimed the pro-Chalat movement was lobbying for the opposition's support. He said yesterday's development was part of a collaboration to isolate the ruling Democrat Party, which has rejected as impractical Chalat's demand for a totally new Constitution drafted by the House of Representatives.

A key member of the New Aspiration Party, the Democrats' most powerful ally, also joined the expanding campaign for a new charter. Deputy NAP [New Aspiration Party] leader Wira Musikaphong, who has been rumoured to be planning to defect to Phalang Tham, became one of 21 core members of the TPRO.

Yesterday was the ninth day of Chalat's hunger strike. Doctors who examined him said his condition had stabilized after the activist collapsed earlier this week. But they expressed concern that constant intravenous feeding of a glucose and saline solution could lead to a state of shock.

Phalang Tham founder Chamlong Simuang made his strongest show of support yet for Chalat yesterday and criticized the government for claiming that the only way to comply with Chalat's demand was to stage a coup against itself and abolish the present Constitution.

"Chalat has floated an intriguing idea for us, but people said a coup is the only way to implement it. How can we achieve full democracy with this kind of attitude?" Chamlong said.

He echoed Chalat's statements that present charter, no matter how much it is altered, will always remain a legacy of the military junta.

The government has insisted that the present charter prohibits the drafting of a new charter. The only way to promulgate a new Constitution is to amend the present charter to remove the obstacles, which is politically impossible unless the opposition co-operates.

Chat Phatthana leader Chatchai Chunhawan, who had earlier suggested that Chalat's demand was not feasible, seemed to soften his stand yesterday and insisted that the government "is responsible for Chalat's life".

"Opposition parties have not yet discussed how to help Chalat," he said.

The Phalang Tham hardliners' increasingly active role in the Chalat affair has strained the party's relations with the Democrats. Former deputy Bangkok governor Chaiwat Sinsuwong, who triggered a Democrat uproar on Thursday with a strong anti-Chuan remark, is now a TPRO member.

But Mana Mahasuwerachai, a Phalang Tham MP who had tried to broker a solution between Chalat and the government, yesterday distanced himself from the activist, whom he implied had breached an agreement made earlier with the Democrats and was being manipulated by anti-government elements.

Other key TPRO members include San Hathirat, chairman of the pro-Chamlong Confederation for Democracy; Dr Weng Tochirakan, secretary general of the Campaign for Popular Democracy [CPD]; ex-student leader Prinya Tewanaruamitkun, the deputy CPD secretary-general; and Chalat's daughter, Chitrawadi Worachat.

Anti-government activities by branch members of political action groups such as the Confederation for Democracy and student unions were held in the major provinces yesterday.

In Khon Kaen, a panel discussion was held at a hotel with New Aspiration deputy leader Wira, Phalang Tham MP Chaiwat and rock singer Yunyong Ophakun as guest speakers.

They discussed plans to stage a mass demonstration in Khon Kaen and other northeastern provinces to support Chalat's cause. Later yesterday, they were to appear at a rally at a teachers' training college in Maha Sarakham province.

In the southern province of Nakhon Si Thammarat, activist groups issued a statement praising Chalat for his "courage and sacrifice" to pressure the government to achieve fuller democracy in the shortest possible time.

At Thammasat University, when the TPRO was unveiled, the most upbeat speaker was one of the staunchest anti-government critics, controversial Sulak Siwalak.

"If the government can't reform the charter, we the people will do it ourselves," he said.

Army Officers Deny Intervention Plan

BK0406110994 Bangkok THE NATION in English
4 Jun 94 p A1

[Text] THE Supreme Command spokesman denied yesterday that the military was contemplating any move in the face of the current political tensions in the country.

Spokesman Lt Gen Anuson Kritsanaserani, however, confirmed that a group of Thai military officers met in Hong Kong recently to discuss the current political situation.

"They did talk about politics but it did not amount to anything concrete," Anuson said.

Anuson was commenting on a press report that a group of senior military officers met secretly in Hong Kong early this week as domestic political tensions grew over Chalat Worachat's hunger strike.

"It was a coincidence," Anuson said of the Hong Kong meeting. The spokesman insisted that the military was not making any move in response to the political situation.

"The military just monitors the political situation. But it has no intention of making any move."

Anuson said the military believed that despite the tensions the political situation "poses no concerns". "There is nothing of concern yet. We don't anticipate any violence," he said.

Vietnam

Sixteen Boxes of Remains Handed to U.S. Side

BK0806141194 Hanoi VNA in English 1357 GMT
8 Jun 94

[Text] Hanoi VNA June 8—Vietnam yesterday returned 16 boxes of human fragments and wreckage believed to belong to 51 servicemen missing in action (MIA) in the Vietnam war.

From June 3-6 Vietnamese and US forensic specialists examined the remains and wreckage which were excavated and collected by the joint search teams and local people in the recent 29th joint search for MIA's.

The representative of the Vietnam MIA Office handed over the above-said remains and wreckage to the representative of the US Joint Task Force Full Accounting. This was the third handover in 1994. Since March 1974, Vietnam has on 48 occasions returned the remains of 619 American servicemen to the US side.

The US side highly appreciated the humanitarian policy and cooperation of the Vietnamese Government and people.

Radio Reviews Vietnam-U.S. Relationship

BK0806121694 Hanoi Voice of Vietnam in English
1000 GMT 8 Jun 94

[Station commentary]

[Text] Since early this year, SCCI [State Commission for Cooperation and Investment] has licensed a total of 109 projects, including many involving American investors. At a recent seminar held in Washington, American businessmen described Vietnam as an interesting market and many large companies have expressed their wish to operate in Vietnam.

Both Vietnamese and American leaders in their contact, reiterated to each other they want a full relationship as soon as possible. The decision to open liaison offices in the respective capitals of Vietnam and the U.S. has been welcomed by foreign business circle working in Hanoi. Mr. (?David Drinker), an American businessman of the Digital Company, considered it a correct and initial step for the normalization of the bilateral relations. He said

the establishment of representation offices or embassies enables businessmen to have more information and more convenient conditions to run a business. For his part, Mr. (?John Lindon), director of an electronic company of Sweden in Hanoi, held that the new development in Vietnamese-U.S. relations created more favorable conditions for his company. He also predicted that there would be more U.S. companies coming to Vietnam, creating more market for his company's products.

Since the lifting of the embargo, Vietnam and the U.S. have taken many concrete steps. According to the Vietnamese Foreign Minister Nguyen Manh Cam, bilateral talks so far have been fruitful. By March 1994, 31 American companies were licensed to set up representative offices in Vietnam, 21 in Hanoi and 10 in Ho Chi Minh City.

Preview: Vo Van Kiet Visit to CIS Countries

BK0806124194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Mar 94

[Unattributed essay: "The Important Landmark of the Traditional Relations Among Vietnam, Russia, Ukraine, and Kazakhstan"]

[Summary] "The upcoming official visit to Russia, Ukraine, and Kazakhstan by Vietnamese Prime Minister Vo Van Kiet will be an important landmark in the traditional relations of friendship between Vietnam and these member countries of the former Soviet Union now known as the Commonwealth of Independence States [CIS] as this will usher in a new era for consolidating, developing, and broadening the existing cooperation in various domains."

Russia, Ukraine, and Kazakhstan once had close relations with Vietnam. "They contributed greatly to helping the Vietnamese people fight invading imperialist forces" for national defense.

"Following great political upheavals, which climaxed with the crumbling of the Soviet Union, the relations of cooperation between Vietnam and CIS member countries have become stunted somewhat because of the great difficulties encountered by these friendly countries. But the status of the friendships and the progress of international relations of cooperation in conformity with the epochal trend have become an indispensable demand of the peoples of our country and these friendly countries.

"We are very pleased to note that inheriting the traditional relations between the former Soviet Union and Vietnam, the Russian Federation has officially reestablished its diplomatic relations with Vietnam since January 1992. It has continued to help us complete the construction of various projects left unfinished by the former Soviet Union. Its relations of cooperation under the new format and new situation have been expanded to many new areas. The Vietnam-Russia Intergovernmental Commission for Economic, Trade, Scientific,

and Technological Cooperation has been established and it has held three annual meetings. The two sides have signed a number of important documents such as the agreement on cooperation in the areas of communications, transportation, civil aviation, and maritime; the agreement on investment cooperation between the two countries; the agreement on investment protection and avoidance of double taxation; and the protocol on cooperation between the two countries' state banks and trade ministries.

"Russia has carried on the work of the former Soviet Union at the Vietsovpetro oil joint enterprise and the Hoa Binh Hydroelectric Power Plant. It has helped upgrade various power plants. Direct relations of trade exchanges and economic cooperation under various forms such as partnerships and joint ventures between various localities of the two countries have also enjoyed favorable conditions. Now in Vietnam there have been many partnership enterprises and joint ventures between the two countries, whose status of operations is very satisfactory as it meets the needs, aspirations, and new conditions of each country.

"His Excellency Russian Deputy Prime Minister Yarov said in his recent visit to Vietnam that through its economic cooperation with Vietnam, the role of the Russian Federation in Southeast Asia has been asserted. And it is this cooperation that has contributed to consolidating peace and spurring cooperation between the Russian Federation and other countries in the region."

Vietnam and Ukraine have officially established diplomatic relations since 23 January 1992. Many delegations from various echelons and sectors of the two countries have since exchanged visits to share views on various possible areas of cooperation. "During these visits, many cooperative agreements have been signed such as the agreement on exemption of visas for travel by citizens of the two countries, the agreement on the establishment of the Vietnam-Ukraine Intergovernmental Commission for Economic, Trade, Scientific, and Technological Cooperation, and so forth."

During his visit to Vietnam last April, the Ukrainian foreign minister expressed the fine sentiments of the government and people of Ukraine to Vietnam. He said: "Ukraine is very keen to develop its relations of cooperation with Vietnam."

As for the Central Asian Republic of Kazakhstan, it shares some similar features with Vietnam. Vietnam and Kazakhstan have established their diplomatic relations since 29 June 1992. "The two sides have exerted efforts to promote relations of cooperation in areas from which they have advantages such as the production of light industry goods, the cultivation and processing of tropical farm products, and the manufacture of spare parts for some machine tools."

It can be said that the first visit by Prime Minister Vo Van Kiet to Russia, Ukraine, and Kazakhstan has been long expected by the three peoples. All the people assert

that the potential for the development of relations of friendship between Vietnam and these countries is very great. It is their desire to jointly exploit this potential for their common, mutually-beneficial goal of contributing to the consolidation of world peace.

"It is because of this that the friendly visit of Prime Minister Vo Van Kiet will be of great significance as it will open up a new page in the relations of friendship among Vietnam, Russia, Ukraine, and Kazakhstan."

Vo Van Kiet Leaves for Ukraine, Russia

BK0806060294 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Jun 94

[Text] At the invitation of the Governments of Ukraine and Kazakhstan, and of Russian Prime Minister Chernomyrdin, Prime Minister Vo Van Kiet and his wife leave Hanoi today, 7 June, for an official friendship visit to these countries.

Accompanying the Prime Minister are Nguyen Manh Cam, foreign minister; Le Xuan Trinh, minister and chief of the government office; Dang Huu, minister of science, technology and environment; Vo Hong Phuc, deputy chairman of the State Planning Commission; Nguyen Nhac, deputy chairman of the State Commission for Cooperation and Investment; Mai Van Dau, deputy minister of trade; Pham Van Trong, deputy minister of finance; Nguyen Duc Phan, deputy minister of energy; Le Huy Con, deputy minister of light industry; Ngo The Dan, deputy minister of agriculture and food industry; Le Dinh Quy, deputy minister of heavy industry; Vo Van Chat, deputy minister of maritime products; Nguyen Luong Chao, deputy minister of labor, war invalids and social welfare; Le Van Chau, deputy governor of the State Bank; Lieutenant General Do Van Duc, deputy chief of the General Staff of the Vietnam People's Army; Vu Quoc Tuan, assistant to the prime minister; and Nguyen Chi Lien, deputy director of Vietnam Oil and Gas General Corporation. Also accompanying the prime minister are Vietnamese ambassador to Russia Ho Huan Nghiem, Vietnamese ambassador to Ukraine Truong Tung, Vietnamese ambassador to Kazakhstan Nguyen Van Dac, 20 businessmen from state and private sectors representing various economic components, and a large group of newsmen from radio and television stations.

This is the first official friendship visit by Prime Minister Vo Van Kiet to Ukraine, Kazakhstan, and Russia which is aimed at consolidating and strengthening the traditional friendship, and accelerating cooperation between Vietnam and these countries for mutual interests in the new stage.

Relations With Slovenia Established

BK0806011494 Hanoi VNA in English 1519 GMT 7 Jun 94

[Text] Hanoi VNA June 7—The Government of the Socialist Republic of Vietnam decided on June 7 to officially recognize the Republic of Slovenia.

On the same day, in New York, on behalf of the two governments, Ambassador Le Van Bang, acting head of the Vietnamese permanent mission at the United Nations and Ambassador Danilo Turk, permanent representative of Slovenia to the UN signed a joint communique on the establishment of diplomatic relations at the ambassadorial level between the two countries.

Foreign Minister Notes Latent Instability

OW0706131594 Hanoi Voice of Vietnam in Mandarin 0830 GMT 7 Jun 94

[Report on Foreign Minister Nguyen Manh Cam's speech at the foreign ministerial conference of non-aligned countries; from the "Commentary on Current Events" program]

[Text] Foreign Minister Nguyen said affirmatively in his speech: Vietnam completely approves of the Nonaligned Movement [NAM] chairman's appraisal made in his report—namely, under the present situation, we must work according to the NAM's basic goals and principles of peace, independence, sovereignty, equality, and development to further enhance the NAM's role.

On how the Asia-Pacific and Southeast Asian regions can realize those goals and principles, Foreign Minister Nguyen emphasized: The region has recently entered a new era in which the trend of peace, stability, and cooperation is having the upper hand and the tendency of dynamic and sustained development is full of promise.

Foreign Minister Nguyen also pointed out: Some hidden factors of worrisome turbulence, such as conflict of interests and territorial disputes and claims, exist in the Asia-Pacific region, particularly in the East Sea area, the Korea peninsula, and Cambodia.

Foreign Minister Nguyen pointed out: Recently, the East Sea area has witnessed some events that caused great worries to public opinion in the region and the world, particularly to Vietnam because these events happened on Vietnam's continental shelf and exclusive economic zone. International laws demand all countries to respect the sovereignty and territorial integrity of others including their continental shelf and exclusive economic zones.

Foreign Minister Nguyen Manh Cam reiterated Vietnam's sovereignty as a coastal country, and the Vietnamese people's determination to protect sovereignty over their continental shelf and exclusive economic zone

in accordance with international laws, especially the 1982 UN Convention on the Sea.

During the conference, Foreign Minister Nguyen reaffirmed Vietnam's goodwill stance to settle all differences in accordance with the aforesaid principles. He appealed to all parties concerned to exercise self-restraint, and not to take any action to further complicate the situation.

Foreign Minister Nguyen pointed out: The security and stability of the East Sea area is the common security and stability of the entire Asia-Pacific region, as well as one of the decisive factors for the safety of sea lanes and for the trade and development of one of the most active regions of the world. Vietnam urges all parties concerned to adhere to the aforesaid international laws to settle differences over the East Sea issue, which involves the interests of many countries.

Foreign Minister Nguyen affirmed that Vietnam guarantees such an action.

On the human rights issue, Foreign Minister Nguyen pointed out: It is the people of each country who have the right to judge and push ahead the implementation of human rights in their own countries. No other government or organization will make decisions for them, even if the decision is made in the name of sincerity.

Minister, Bangladeshi Leaders Discuss Cooperation

*BK3005044994 Hanoi VNA in English 1430 GMT
29 May 94*

[Text] Hanoi VNA May 29—Foreign Minister Nguyen Manh Cam paid an official visit to Bangladesh from May 25-27 as guest of his Bangladeshi counterpart, Mr. M. Rahman.

In Bangladesh, Minister Nguyen Manh Cam was received on separate occasions by President Abdur Rahman Biswas and Prime Minister Begum Khaleda Zia. The Bangladeshi leaders warmly welcomed Vietnam's achievements in its process on renovation, and expressed their belief that the visit by Foreign Minister Nguyen Manh Cam would mark a new step of development of the relations between the two countries, and make a contribution to the enhancement and expansion of the traditional friendship and cooperation between Vietnam and Bangladesh.

Foreign Minister Cam in his talks with Foreign Minister Mustafizur exchanged views on orientation and measures to consolidate and enhance the traditional friendship between the two peoples, and promote the multi-faceted cooperation between the two countries.

The Vietnamese diplomat also had working sessions with the Minister of trade, leadrt of the Bangladeshi Chambers of Commerce, and many other businessmen.

On this occasion, the two sides signed an agreement on economic and scientific-technological cooperation, and

a bilateral protocol on cooperation between the two ministries for foreign affairs.

Delegation Attends Manila Meeting

*BK0806013494 Hanoi VNA in English 1513 GMT
7 Jun 94*

[Text] Hanoi VNA June 7—A Vietnamese delegation led by Pham Van Chuong, deputy head of the external relations commission of the Communist Party of Vietnam Central Committee attended the unofficial meeting between Indonesia, Malaysia, Philippines, Thailand, Singapore, Vietnam, Cambodia, Laos and Myanmar held in Manila from May 30-31.

The meeting, attended by scholars and diplomats of the above-said countries, was held in initiative of Mr. J.T. Anmote, advisor to the Philippine president to discuss issues of strengthening and expanding cooperations between the countries in Southeast Asia.

During the meeting, entitled 'Southeast Asia in the years 2000' the participants exchanged views on potentials, obstacles, prospect and orientations for building Southeast Asia into a region of peace and prosperity which is able to play an important role in terms of politics, economy, cultural and spiritual life before entering the 21st century. The meeting expressed the hope for the strengthening of bilateral relations among the countries in the region as well as broadening the ASEAN to the participation of the Southeast Asian countries. At the end of the meeting, President Fidel Ramos received the delegates.

Haiphong Helps Settle Repatriated Vietnamese

BK0506142094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 Jun 94

[Text] Since March 1989, Haiphong municipality has helped to resettle more than 20,000 Vietnamese repatriated from abroad. Various international organizations have provided aid in kind and cash to help these people. Thus far, more than \$7 million given by these organizations have been used to help them engage in some type of trade.

The province has also used more than \$4.5 million to carry out more than 100 projects to help stabilize their daily life. These include projects in vocational training, improving public health, building schools, roads, bridges, and power stations; and promoting fishery and handicraft production and so forth.

During the past five years, Haiphong has launched programs to provide jobs for local workers, including 4,000 repatriated Vietnamese. The province's 25 vocational training centers have trained more than 7,800 repatriates or 90 percent of those in the working age group. Many have been granted loans to set up their own businesses and they are doing well.

Haiphong has also closely coordinated with international organizations abroad and echelons and sectors at home to prevent and finally stop illegal departures by Vietnamese. It has made preparations to receive more repatriated Vietnamese and mapped out plans to help them quickly stabilize their daily life and to settle in with the local community.

National Assembly Afternoon Session

BK0706143394 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 7 Jun 94

[Summary] "Dear friends: This afternoon the National Assembly deputies continued their meeting at the conference hall under the direction of Vice Chairman Phung Van Tuu. Justice Minister Nguyen Dinh Loc, on behalf of the government, read the report on the draft civil law. Nguyen Van Yeu, vice chairman of the National Assembly Law Committee, read the committee's opinion."

The 562-article civil law code has been amended many times and the present draft submitted to the National Assembly is the ninth. This is an important and complicated law that requires extensive preparation and discussion by the deputies.

"Tomorrow the National Assembly deputies will work in groups to prepare for discussion on the draft civil law.

National Assembly Considers Investment Law

BK0706134794 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 7 Jun 94

[Summary] "The Ninth National Assembly's fifth session entered its 11th day today. In the morning, the National Assembly held a plenary meeting at the conference hall under the direction of National Assembly Vice Chairman Nguyen Ha Phan to continue debating the draft law on domestic investment promotion.

"The National Assembly heard Do Quoc Sam, minister and chief of the State Planning Commission, speaking on behalf of the Law Drafting Committee, present a report on ideas and viewpoints of National Assembly deputies on the draft law."

Many deputies suggested that only overseas Vietnamese who still hold Vietnamese citizenship are entitled to enjoying privileges specified by the law. Other deputies proposed that the government issue concrete regulations to prevent foreigners from making their investments under the name of local Vietnamese.

All deputies expressed their unanimous views on granting privileges and encouragement to investment projects in areas with numerous difficulties, in mountain regions, and offshore islands. They suggested that income tax exemption should be granted to these projects for two to four years, and business turnover tax for two years.

Many deputies expressed their concern over the granting of loans to promote domestic investment projects. They questioned whether the loans should be granted at the beginning of projects or later when they begin to bear fruit.

"Some deputies suggested that if the National Assembly passes the law on domestic investment promotion this year, the government should promptly issue regulations for its implementation."

Several deputies also suggested that for key investment projects proposed by overseas Vietnamese or by long-time foreign residents in Vietnam, the government should submit them to the National Assembly Standing Committee for consideration.

National Assembly Approves Tax Reduction

BK0806123094 Hanoi Voice of Vietnam in English 1000 GMT 8 Jun 94

[Text] A new ordinance issued by the National Assembly will lighten tax on those in the upper income bracket. The higher level of minimum taxable income should also provide relief. According to the new ordinance signed by the National Assembly Chairman Nong Duc Manh on 19 May and taking effect on 3 June, a Vietnamese national is liable to pay tax on his income when it exceeds 1.2 million dong monthly.

The percentage of tax will then rise to 10 percent increment to a maximum of 60 percent. This represents a more liberal figure as compared to the decree of 1st April 1991, when tax started at 650,000 Vietnamese dong, and a top end bracket of 80 percent. The liberalization also applies to foreigners who will be taxed 10 percent on monthly income of over 5 million dong as opposed to the previous 3 million.

National Assembly Issues Communique No. 11

BK0806013394 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Jun 94

[Text] The Ninth National Assembly's fifth session on the morning of 7 June held a plenary meeting to continue debating the draft law on domestic investment promotion under the chairmanship of National Assembly Vice Chairman Nguyen Ha Phan.

The National Assembly heard Do Quoc Sam, minister and chief of the State Planning Commission, on behalf of the law drafting committee, report on issues concerning the draft law as raised by National Assembly deputies during their debate.

Fifteen of the 38 deputies registered to address the meeting and express their viewpoints. They are Ho Te from Haiphong municipality, Duong Viet Trung from Can Tho Province, Nguyen Duc Lien from Hai Hung, Tran Thi Le Thu from Binh Dinh, Lam Phuc Co from Yen Bai, Tran Duc Tam from Ha Bac, Le Minh Chau from Ho Chi Minh city, Nguyen Thi No from Khanh

Hoa, Dinh Van Hung from Ninh Binh, Le Ngoc Toan from Thanh Hoa, Le Nam Hai from Vinh Long, Nguyen Phu Cuong from Lang Son, Nguyen Van Thuan from Binh Thuan, Lo Thi Luyen from Son La, and Vo An Bang from Dac Lac.

The deputies focussed their debate on issues concerning forms of investment, orientation, and policy on encouraging investment projects, privileges given for tax payments and credits, exemption of taxes for machinery and equipment imported by the investors for building production establishments, rights and obligations of investors, state management over investment promotion, and enforcement of the law.

National Assembly Vice Chairman Phung Van Tuu chaired the afternoon meeting. The National Assembly heard Nguyen Dinh Loc, minister of justice, deliver a report on the draft law on military service and Nguyen Van Yen, deputy chairman of the National Assembly Judiciary Committee, deliver a report on viewpoints of his committee on the draft law.

Tomorrow, 8 June, the National Assembly will hold group discussion to debate the draft law on military service.

Report Says Dam May Harm Delta Fertility

BK2705102694 Bangkok *THE NATION* in English
27 May 94 p C7

[First of two-part series by Nanthy Tangwisuthichit]

[Text] The Mekong Delta, known as the "rice bowl" of Vietnam, may no longer be able to lay claim to that title if proposed hydropower plans affect the fertility of the region.

"Damming the Mekong River is like declaring a war with Vietnam," noted U.S. biologist Dr Tyson Roberts, who has observed the Mekong ecological system since the 1970s.

If Roberts is correct, then the first battle has already begun. Recently completed is the 1,500-megawatt Manwan Dam, the first of its kind on the mainstream Lancang Jiang (Mekong River) in China's southern province of Yunnan.

The 4,200 kilometre Mekong River starts its journey from the Tibetan Himalayas passing through southwestern China, Burma, Thailand, Laos, Cambodia and then to Vietnam, where silt carried down the river and deposited in the area for thousands of years has formed a large expanse of over four million hectares of land at the delta.

River dwellers living in Thailand, Laos and Cambodia have noticed the unusually low water levels during the dry season since the dam was built. Vietnam, as the last country the Mekong passes before entering the sea, is no exception.

"We don't have any concrete or clear scientific conclusions about the unnatural reduction of water in the Mekong. But farmers at the delta have already noticed that water levels in the river and connecting canals are lower than they were in former years," said Dr Le Quang Minh, dean of the Water Resource and Land Improvement Faculty, Cantho University.

Cantho is the capital of Hau Giang Province, named after the largest "tail" of the "dragon". In Vietnam the Mekong River is known as the Nine-tailed Dragon, as the river formerly split into nine branches at the delta.

Two of the major branches are the Tien Giang and Hau Giang where webs of thousands of canals have been dug for navigation and irrigation. Giang comes from a Chinese letter meaning river. Today the "dragon" has only seven tails as two of them, Ba Ly and Co Chien, have been filled up with silt deposits.

Crop cultivation and sustainable ways of life in this part of the country are made possible by these tails. Over 50 per cent of rice harvested for local consumption and export are grown in the delta region. Shortly after economic liberalization in 1986, Vietnam became the world's third largest rice exporter after the United States and Thailand.

"Engineers have quite a positive perspective about dams, but I do not. Even though people desire the proposed function of the dam, I wonder whether it will be operated as it was designed. The people who designed it are not the same ones as those who operate it," said Minh.

There are fears that the dam will be operated solely for the purpose of supplying energy without thought given to the effect dam operations will have on the delta region.

"If I were the director, and those dams were designed for generating electricity, I would keep this function as my priority when operating the dam. In the dry season, I would retain water to secure operation of the dam."

"It's the same story with the flood," the water management specialist continued. "If there is a big flood, I don't believe dam operators would retain the water because it could be risky for the safety of the dam."

Due to Vietnam's push for development and wealth, supported by multilateral business and financial agencies, the Vietnamese government strictly maintains its export-oriented policy. Agricultural products, especially rice, are produced for export. High-yield-varieties have been promoted in the delta area. Irrigation systems, as a result, need to be expanded and improved upon to catch up to the expansion of plantation areas.

The An Giang and Kien Giang provinces, west of the delta, as well as Dong Thap province in the East, are in the target areas of such agricultural development. However, the soil in 0.55 million hectares of the area is strongly acidic, 1.05 million hectares is medium and

lightly acidic, 0.15 million hectares is permanently saline and 0.16 million has high salinity in the dry season.

The relationship between the soil, water and farming systems in the Mekong delta is so complicated and fragile that any changes in the condition of one component needs to be repeatedly tried and tested before the actual results of the change can be determined.

The Mekong Committee in 1992 hired the Netherlands Development Consultancy to plan irrigation improvement of the acidic areas in the Southwest of the delta.

The consultant at that time planned to divert the water from the Hau Giang River to lower the acidity levels.

But the plan has not been implemented as detailed studies are needed to find out how much water should be used. Too much water for irrigation means not enough water at the mouth of the Hua Giang to maintain the natural conditions of salinity from the South China Sea.

While hydro engineers dream to tame the Mekong by controlling natural floods and drought, what never seems to be taken into account is the ecological implications when the natural flow is disrupted by huge concrete structures such as dams.

Australia

Assistance to Cambodia Being Considered

*BK0806022494 Melbourne Radio Australia in English
0100 GMT 8 Jun 94*

[Text] Australia's foreign minister, Gareth Evans, says the federal government will emphasize training in any package of military assistance given to Cambodia.

Australia is still deciding whether to provide the war-ravaged Asian nation with arms. Senator Evans said Australia was still discussing Cambodia's request for military assistance with other potential donors—the United States, France, Malaysia, and Indonesia.

He said there was a general view among the donors that Cambodia's primary need was for a training of an effective military force. The foreign minister said a competent noncorrupt government in Cambodia would be able to deal with the Khmer Rouge insurgency.

Keating Arrives in UK; Backs UN Sanctions

*LD0306163994 Melbourne Radio Australia in English
1600 GMT 3 Jun 94*

[Text] Australian Prime Minister Paul Keating has pledged support for UN sanctions against North Korea. Linda Mottram reports:

Shortly after arriving in London at the beginning of his 10-day visit to England and France, Mr. Keating released a statement on the North Korea tension. He has reiterated Australia's support for any action by the UN Security Council on the issue. He says it may still not be too late for negotiations, but Mr. Keating says increasingly it looks as if the UN Security Council will have to consider further action to indicate the depth of international concern.

Keating, Major, Chretien Discuss Trade

*BK0406124994 Melbourne Radio Australia in English
1100 GMT 4 Jun 94*

[Text] Prime Minister Paul Keating has encouraged his British counterpart, John Major, to use Australia as a trade and investment springboard into Asia. Mr. Keating has also raised Australia's ongoing trade concerns with Canada in a separate meeting with the Canadian prime

minister, Jean Chretien. Linda Mottram reports that Mr. Keating met the British and Canadian leaders in London where they are gathering for the commemoration of the World War II D-day landing of Normandy 50 years ago.

[Begin Mottram recording] Ahead of the D-day ceremony, Mr. Keating met with Mr. Major in London with trade and investment are key agenda items in what the two leaders have described as a strong relationship. Officials say Mr. Keating assured Mr. Major that Australia's push for closer economic links with Asia did not exclude the Australia-Britain relationship. The Australian Government is keen for Britain to use its very high level of investment in Australia as a window into Asia. The two leaders also discussed the forthcoming APEC [Asia-Pacific Economic Cooperation] leaders' summit in Jakarta and ways of advancing the Asia Pacific Economic Grouping.

Mr. Keating talked with Canada's Jean Chretien who described by officials as equally warm although Mr. Keating noted the bilateral relationship had languished somewhat in particular over trade tension. Officials described Mr. Keating as putting a strong argument for Canada to particularly review its decision to impose tariff quotas on the imports of Australian boneless beef. [end recording]

Government Explains Defense Contact With Indonesia

*BK0306075594 Melbourne Radio Australia in English
0500 GMT 3 Jun 94*

[Text] Australia says it has been incorporating human rights issues into its direct and indirect defense contact with Indonesia. The approach is outlined in an Australian Government response to a parliamentary report on relations with Indonesia.

The document said Australia's Defense Force did not provide training to Indonesian troops for internal security or counter-insurgency.

The statement said cooperation with Indonesian Special Forces focussed on low-level military and welfare skills, as well as communications operation, small arms practice, and medical training.

Foreign Minister Gareth Evans said the government shared the parliamentary committee's view that human rights was the most sensitive area of Australia's relations with Indonesia.

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